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IN THE

Supreme Court of the United States

OCTOBER TERM, 1965.

No. 572

THE ALLBRIGHT-NELL COMPANY and PETER ECKRICH AND SONS, INC.

Petitioners,

vs.

CARL SCHNELL and THE GRIFFITH LABORATORIES, INC.,

Respondents.

PETITION FOR CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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THE SCHLICHTER-MEDICO PRINTING COMPANY, CHICAGO

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PETITION FOR CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

Petitioners pray that a Writ of Certiorari issue to review the Judgment of the United States Court of Appeals for the Seventh Circuit entered in the above-identified case on July 9, 1965.

OPINIONS BELOW.

The district court wrote no opinion. Instead, it addressed a one-page letter (D App. 48)* to counsel for the respective parties stating that the court's decision would

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* Defendants' Appendix in the court below will be referred to herein as (D App. ....); the Defendants' Additional Appendix as (DA App. ....); and the Plaintiff's Appendix as (P App. ....).

be for the Plaintiffs, that the court had adopted 272 of the 273 findings of fact proposed by Plaintiffs (D App. 49-146) and that the court had prepared and attached conclusions of law (four in number) (D App. 147). The district court's letter of decision and the findings and conclusions have not been reported.

The Decree entered by the district court held 82 claims of the seven patents in suit valid and held that all of the asserted 66 claims of the six apparatus patents had been infringed (D App. 148-150).*

The opinion of the United States Court of Appeals for the Seventh Circuit, dated July 9, 1965, affirming the judgment of the district court (reported only at 146 USPQ 322), is reproduced as Appendix A to this petition.

JURISDICTION.

1. This is a suit arising under the patent laws of the United States, Title 28, Section 1338 of the United States Code.

2. The United States Court of Appeals for the Seventh Circuit had jurisdiction under Title 28, Section 1292(a)(4) of the United States Code.

3. The jurisdiction of this Court is invoked under Title 28, Section 1254 of the United States Code.

4. The date of the judgment, which Petitioners seek to have reviewed, is July 9, 1965. No petition for rehearing was filed.

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* Finding 140 (D App. 105) also connotes infringement of the 16 claims of the method patent, but the Decree omitted this patent from the injunction and accounting because of a release, terminable on notice, given by Respondent, Griffith, to Petitioner, Allbright-Nell, and its vendees.

QUESTIONS PRESENTED.

1. Is the judgment of the court below erroneous in approving the grant of a 21-year monopoly to Respondents based on seven separate patents issued over a four year period, despite the fact that the court could find only one "real discovery"* and despite the established rules as to double patenting which permit only one patent on one invention?

2. Is the judgment of the lower court erroneous in sustaining the validity of 82 claims of the seven patents in suit when the Respondent Schnell was merely the first to combine a number of the old elements which make up Respondents' comminuting machine, primarily because this machine, although designed for comminuting various materials, was, when supplied with a conventional sausage emulsion, found to be capable of performing a further emulsifying or comminuting operation?

3. Is the judgment of the lower court erroneous in finding that Petitioners' comminuting machines infringe 66 claims of the six apparatus patents in suit, when Petitioners' machines follow the prior art Hortnagl machine ** more closely than they do Respondents' machine, except for the use of a seal around the drive shaft of the machine, which is a well-known expedient used in other prior art comminuting machines?

The basis for the questions presented is, in brief, that: Over a period of four years between 1958 and 1962 seven patents were issued to Respondents containing claims so overlapping in scope and construed so broadly by the court below that the effective monopoly period extends for

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* The court did not specify which of the seven patents claims this "real discovery" and the other six patents were sustained solely because they were purported to solve "subsidiary problems".

** The drawing of the Hortnagl Austrian patent No. 179,437 (D App. 2459) is reproduced in Appendix B to this petition.

21 years. One of the principal errors committed by both lower courts was their treatment of these seven patents as if only one all inclusive claim were involved instead of subjecting the patents individually to close scrutiny as would have been necessary to avoid an unwarranted extension of the monopoly. That this error was committed is evident from the findings of fact adopted by the district court and from the opinion of the Court of Appeals neither of which identifies the invention alleged to reside in any specific one of the seven patents and neither of which considers or differentiates between any of the 82 claims or attempts to apply the language of any of these claims to Petitioners' machine.

Five of the seven patents are based on a single, relatively simple comminuting machine comprising an assembly of admittedly old elements while a sixth patent contains this same disclosure and claims a method constituting merely the inherent function of the machine. One of these patents* claims a knife differing from that shown in the prior art** solely in specifying that the knife arms are tapered or streamlined to provide balance. In the light of modern technology it seems almost incredible that the two courts below could have found invention in this concept if the patent had been separately considered on its merits instead of grouping it with the others. The differences involved in several of the other patents are commensurate in character.

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* Schnell patent No. 2,934,120.

** Schnell Belgian patent No. 534,013 (D App. 2485), not cited by the Patent Office. The finding of the lower court (App. A, p. vi) that the "principal prior art on which defendants rely was considered by the Patent Office" is clearly not applicable to some of the patents in suit and is based upon Findings 198 and 199 (D App. 123-129) which make the unwarranted assumption that any prior art cited by the Patent Office against any one of the seven patents in suit, or even any prior art patent that is classified in the same subclasses in the Patent Office, should be presumed to have been considered and rejected by the Patent Office during the prosecution of each of these seven Schnell patents.

The seventh patent,* based on an early, crude version of Schnell's machine, not only omits a number of the elements of the six later patents but also lacks some of the elements of Schnell's "original machine" that the Court of Appeals described as "not satisfactory" and as only a "springboard" to Schnell's commercial machine.** The sole feature distinguishing this seventh patent from the Hortnagl patent is the use of a sloping wall above the knife instead of Hortnagl's flat wall, a feature which, in itself, is shown in a number of prior art references. The court below not only found that this change in the shape of the wall amounted to invention but also found that Respondents' machine, which uses a flat wall like Hortnagl, infringes the patent.

After having developed his early machine, which in its original form closely resembled the Hortnagl machine and was designed to comminute exactly the same products, Respondent Schnell found that the machine would cut meat products such as bacon rinds if pressure was exerted on the meat material being fed to the machine. To prevent such material from rotating with the knives he added lugs like those used in the prior art.*** The tapered knife referred to above was provided with a groove along the bottom of each knife arm as had been done in his vegetable machine and as shown in the prior art.**** The knife was made adjustable with respect to the plate as had

* Schnell patent No. 2,840,318.

** Sheet 1 of Schnell patent No. 2,840,318 and Sheet 3 of Re. 24,683 which is representative of Sheet 3 of the other six Schnell patents are reproduced in Appendix B to this petition.

*** A second patent, Re. 24,754 claims these lugs, but they are shown in Smith patent No. 745,079.

**** Patent 2,934,120 claims the tapering of the knives while patent 2,934,121 includes claims directed to the groove which is disclosed in Baltzley patent No. 419,103, Bonapace patent No. 2,183,114 and Schnell Belgian patent No. 534,013.

been done by others.* Sometime later he "discovered" that a seal placed around the drive shaft to avoid leakage of the material being comminuted, as previously used by him and others in numerous prior art comminuting machines,** improved the pumping action of the machine so that an increased suction was developed and a higher pressure was created at the discharge outlet, resulting in an increase in the speed of movement of the material through the comminuting machine over that achieved by his "original" machine or the Hortnagl machine.

The lower court found this to be Schnell's "real discovery" despite the fact that prior art machines had comminuted material other than sausage emulsion in a sealed column*** and, on the basis of this "real discovery", the lower court sustained the validity of all seven patents. That this "real discovery", i.e., the addition of a conventional seal to the Hortnagl machine, did not produce any surprising or unusual consequences is evident from the cross-examination of Respondents' expert who stated that he would add a seal to the Hortnagl machine if he wanted to increase the production from that machine (D App. 1203).

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* Ryman patent No. 2,496,359 shows this feature and claims 7 and 8 of Schnell patent No. 2,906,310 cover it.

** The Schnell "mixer" (D App. 1840); Green patent No. 2,428,420 seals 31 and 32; Eppenbach patent No. 2,090,547 packing ring 64; and General Electric FA-41 Disposall (D App. 1738) "shaft seal."

*** Tranbarger patent No. 2,594,250; Hilliker patent No. 2,421,064; Walters patent No. 2,658,453; Eppenbach patent No. 2,428,415; and Green patent No. 2,428,420.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED.

This case involves Clause 8 of Section 8 of Article I of the Constitution of the United States and Sections 101, 102, 103 and 282 of Title 35 of the United States Code, the pertinent provisions of all of which are set forth in Appendix C hereto.

STATEMENT OF THE CASE.

The six apparatus patents in suit relate to and are entitled "comminuting machine" and the method patent, although originally entitled "comminuting machine", issued with the title "method of comminuting meat". The earliest filed of the patents in suit* discloses a comminuting machine including a "comminuting chamber" containing a rotatable multi-bladed knife shaped to force the material being comminuted toward and through a perforate plate which separates the "comminuting chamber" from a "discharge chamber" in which is located a rotating expeller that is mounted on the shaft carrying the knife. The expeller acts as a centrifugal pump to create suction beneath the perforate plate and to expel material from the discharge chamber by centrifugal force under pressure.

The other six patents in suit disclose a seal around the motor-driven shaft at the point where the shaft extends through the bottom wall of the discharge chamber. In addition, these later patents disclose lugs which cooperate with the knife to assist in the comminuting operation and serve to "brake" the rotary movement imparted by the knife to the material in the comminuting chamber, just as do the lugs** in Hortnagl.

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* No. 2,840,318, issued June 24, 1958, Appendix B.

** Designated by reference numeral 6 in the Hortnagl patent (Appendix B).

Respondent Schnell, the patentee in all of the patents in suit, manufactures machines in West Germany for distribution by Respondent Griffith in the U. S. through an exclusive dealing agreement under which Griffith also acquired a one half interest in the U. S. patents. Neither Respondent has granted licenses under the U. S. patents and neither has evidenced any intent to do so in the future.

Prior to the development of the machine upon which the patents are based, Schnell had for several years manufactured so-called "Mixers" which included a motor-driven shaft carrying a rotating knife and extending through a bottom wall of an open topped, bowl-shaped mixing chamber adapted to hold a batch of material to be comminuted, and which also included a seal between the shaft and the chamber wall. When the desired comminution had been achieved, the chamber was emptied and supplied with another batch.

As early as 1952, machines for comminuting such materials as grass, vegetables and kitchen garbage to produce fodder or pigs' feed were known in Europe. One such comminuting machine is disclosed in the Hortnagl patent and includes a motor-driven knife and expeller mounted on a common shaft and respectively positioned in a "comminuting chamber" and a "discharge chamber", the two chambers being separated by a perforate plate.

In 1954, Schnell was manufacturing "Muser" machines for comminuting vegetables, fodder and the like, which were in general constructed like the Hortnagl machine. To adapt his vegetable Muser to comminute bacon rinds and other raw meats, Schnell made "changes for the exact setting of the knives" and "built various parts which would do a better cutting job" (D App. 1786) whereupon he found that bacon rinds could be comminuted.

In the first meat comminuting machines made in Germany Schnell continued to use a seal for the same purpose as the seal used in his mixers. In grinding meat, however, he encountered contamination problems in that meat adhering to the seal, when subjected to the friction of the shaft, emitted an odor so obnoxious that the use of seals was discontinued. Schnell's purpose in using the seal on his meat comminuter was explained by him as follows (D App. 1822):

> "Q. What was the purpose of the seal in the first machine in which you placed it?
>
> "A. With the first machine, we comminuted rinds and, in individual and isolated cases, we also prepared emulsion for liver sausage and Mettwurst, that is M-e-t-t-w-u-r-s-t. And, at that time, my idea was, if emulsion is made on these machines an emulsion goes down and gets stuck in the discharge, **that the emulsion might return toward the motor.**
>
> "Q. **You put in the seal to prevent that?**
>
> "A. **Yes.**
>
> • • • • •
>
> "Q. When you put a slinger plate in your machine, what did you do about the seal?
>
> "A. We made various experiments at that time and then, again, **we eliminated the seals.**"

More than 200 meat comminuters were sold in Europe without the seal and the first machines sold by Griffith in the U. S. did not include the seal. It was not until Schnell was contacted by a representative of Mr. Maeder (P App. 34), who had been experimenting with the direct stuffing of sausage casings from so-called colloid machines* and who wanted to know if the Schnell machine would develop a sufficiently high pressure at the discharge to permit direct stuffing of sausage casings therefrom (P

* Among others, the Eppenbach patent No. 2,090,578 (D App. 2295) and the Gustke patent No. 2,977,056 (D App. 2439) disclose the type of comminuters known as colloid machines.

App. 33 and D App. 443 and 451), and had been told by a representative of Respondent Griffith (P App. 42) that an increased rate of output from the Schnell machines was necessary in the United States (D App. 487), that Mr. Schnell resumed his use of a seal.

By this time a German manufacturer had developed an improved seal which did not produce objectionable odors. The addition of the seal resulted in higher discharge pressures and a greater rate of discharge when a more powerful driving motor was employed as would be expected because the seal improved the efficiency of the pump.

Respondent Schnell's "discovery" was that the use of a seal increased the output of the machine since all of the suction developed by the impeller in the discharge chamber was available to pull the precomminuted meat through the perforate plate. He also "discovered" that the temperature rise of the material being comminuted was decreased due to the faster passage of the material through the machines. This use of a seal was found by the Court of Appeals to be "Schnell's real discovery" but neither that court not the district court specified which patent or which claims cover this "discovery". As a matter of fact, claims calling for the seal are found in five of the seven patents in suit but at least 39 of the 82 claims sustained by the lower courts do not refer to it either directly or indirectly.

On the basis of this "real discovery", plus the solution of the "subsidiary problems"*, that the court did not specify or define, the Court of Appeals sustained 82 patent claims in seven different patents without referring in any way to the language of the individual claims, to the scope of the individual claims or to the disclosures of any of the prior art patents other than Hortnagl, except by the gen-

* Appendix A p. xi.

eral statement that the findings of the lower court* "are supported by the evidence and are not 'clearly erroneous' ". All of the "subsidiary problems" and the elements for solving these problems were recognized and disclosed in the prior art relied upon by Petitioners and neither the Court of Appeals nor the district court made any findings to the contrary.

The Petitioners' accused machines resulted from approximately three years of intense development work, and are in no sense copies of Respondents' patented machine. The fact that Petitioners' machine is disposed horizontally, rather than vertically, and the inadequacies that Petitioner Eckrich found in the Schnell machines, imposed various problems which Petitioners were able to solve only by extended development and by their own independent efforts.

Schnell's comminuting chamber is provided with a sloping, frusto-conical wall opposite the perforate plate to promote recirculation and this wall is specifically recited in some of the claims. Petitioners' machine, on the other hand, uses the flat wall of Hortnagl which, as Schnell informed the Patent Office, prevents recirculation (D App. 1387).

Instead of lugs on the sloping wall overlying and cooperating with the upper cutting edges of the knife blades as recited in some of the claims, Petitioners' comminuter uses a "lug ring" disposed outwardly of the ends of the knives. This lug ring does not overlie or cooperate with the upper edges of the knife blades as recited in the claims but is, instead, positioned similarly to, and operates precisely as, the lugs of Hortnagl.

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* The propriety of the procedure followed by a district court in adopting, verbatim, findings drafted by counsel for plaintiff prior to any decision by the court, and the acceptance of such findings by a Court of Appeals is challenged in the Petition for Certiorari filed June 15, 1965 in this Court (Case No. 260, October Term 1965).

Instead of Schnell's hand operated, positive adjusting mechanism for moving the knives and fixing them in adjusted positions relative to the perforated plate as recited in claims 7 and 8 of Patent No. 2,906,310, Petitioners' device uses a spring biasing means to force the knife against the plate at all times under a suitable pressure just as in the prior art Hilliker patent (D App. 2343).

The Court of Appeals held that the lower court had applied the proper legal standards, although there was no indication in the lower court's conclusions of law as to the nature of these standards. In support of its decision as to validity, the Court of Appeals cited a number of its own prior decisions directed (1) to the general proposition that it is evidence of patentability that others working in the field did not accomplish Schnell's result prior to Schnell,* (2) the proposition that if the principal prior art relied upon by the Defendants was considered by the Patent Office, the presumption of validity of the patent is strengthened,** and (3) the proposition that commercial success also supports a conclusion of validity.***

In support of its decision as to infringement, the Court of Appeals merely pointed out that "there must have been retrograde recirculation" in Petitioners' comminuter, although many of the claims in suit do not require recirculation; that Petitioners' machines provide a "hydraulic column," although a great majority of the claims in suit

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* There is no evidence that others in the sausage-making industry had tried and failed.

** However, highly pertinent prior art patents cited against some of the Schnell applications were not cited in others. For example, the Schnell Belgian patent is clearly the most pertinent prior art reference with respect to patent No. 2,934,120 but this reference was not cited by the Patent Office during the prosecution of this Schnell patent although it was cited against other patents.

*** There was no proof that the limited sales of Schnell machines in one field of use was attributable to any particular one or ones of the patents in suit.

do not specify a hydraulic column; that Petitioners' machine employs a "lug ring", although none of the claims in suit are readable on such a lug ring and were deliberately limited to distinguish over the equivalently arranged lugs of Hortnagl (D App. 1711-1712;* and that the use of a horizontal axis instead of a vertical axis was not, *per se*, a material difference, as Petitioners readily admitted.

The court below did not refer to any specific legal standards for determining infringement, but its refusal to recognize any of the numerous file wrapper estoppels based on the prosecution of the patents in suit before the Patent Office or to consider the actual claim language used in any of the individual claims, is a clear departure from the tests for infringement enunciated by this Court. By treating all seven patents in suit as though only a single claim were involved, the court below has, as this Court said in *Altoona Publix Theatres, Inc.* v. *American Tri-Ergon Corporation, et al.*, 294 U. S. 477, 487, 55 S. Ct. 455, 459 (1935), upheld a patent **"which was neither claimed nor granted."** In the same *Altoona* case, this Court further observed:

> "Under the statute, it is the claims of the patent which define the invention. * * * And each claim must stand or fall, as itself sufficiently defining invention, independently of the others."

REASONS FOR GRANTING THE WRIT.

The discretionary power of this Court to grant the writ of certiorari is invoked upon the following grounds:

I. The decision of the Court of Appeals for the Seventh

* The District Court did not find the claims readable on this lug ring but instead found that the flat wall overlying the knife in Respondents' machine is a "continuous annular lug" despite the lack of any evidence that this wall is capable of performing the functions of Schnell's lugs in "braking" the rotary movement of material or in cooperating with the upper edges of the knife to shear material. The District Court findings entirely overlook the fact that Hortnagl has a similar flat wall overlying the knife.

Circuit in this case is in conflict with decisions of this Court and other courts of appeals because the court below applied a low standard of invention, requiring only that a combination of old elements be new and useful. This low standard, although it has been followed by the Courts of Appeals for the Second and Fifth Circuits, was rejected by this Court in the case of *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp., et al.*, 340 U. S. 147 (1950).* In the *A & P* case, this Court held that where a combination of old mechanical elements is involved, the results obtained must be, not merely new and useful in the sense that no one had previously assembled the complete combination, but instead the results must be "unusual or surprising". The reversal of the judgment below in the *A & P* case was specifically stated to be that:

> "* * * a standard of invention appears to have been used that is less exacting than that required where a combination is made up entirely of old components."

The standard of invention set forth by this Court in the *A & P* case has been accepted by other courts of appeals, notably the Courts of Appeals for the Third and Eighth Circuits.**

The decision below recognizes *sub silentio* that all of the elements of the combination claims were old in similar combinations. The basis for the holding of validity was merely that Schnell was the first to combine all of these old elements and that the Schnell machine thus produced was found useful in the sausage industry. The standard of invention adopted by the court below involves the same

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* For simplicity, this case will be referred to hereinafter as the "*A & P*" case.

** In Cases Nos. 37 and 43 (October 1965 Term, *infra*) it is persuasively asserted that the Eighth Circuit Court of Appeals merely paid lip service to the standard of patentability of the *A & P* case, and, that it actually failed to apply this standard to the facts in those two cases.

conflict between circuits as to the proper standard of invention that is before this Court in Case No. 11 (October 1965 Term) *Graham Plow, Inc.* v. *John Deere Company, et al.*, certiorari granted January 18, 1965, wherein the Court of Appeals for the Eighth Circuit applied the higher standard of invention approved by this Court in the *A & P* case to invalidate a patent previously held valid by the Fifth Circuit Court of Appeals which applied the lower standard of invention adopted by the Seventh Circuit Court of Appeals in this case.

II. This case presents an important question of federal law which should be settled by this Court, i.e., whether or not the standard of invention declared by this Court in the *A & P* case, *supra*, has been changed by the provision in 35 U. S. C. 103 that a patent may not be obtained:

> "• • • if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."

There is need for this Court to settle the recognized conflict between circuits as to the effect and meaning of 35 U. S. C. 103. This case illustrates the increasing tendency in some of the circuits to interpret this section of the patent statutes as modifying the *A & P* case by adopting a new and much lower standard of invention that may seriously impair competition through the creation of numerous unnecessary and unwarranted monopolies. This important question is the same as that presented in Case No. 55 (October 1965 Term) *United States of America* v. *Bert N. Adams et al.*, certiorari granted March 29, 1965; and in Case No. 37 (October 1965 Term) *Calmar, Inc.* v. *Cook Chemical Company* and Case No. 43 (October 1965 Term) *Colgate-Palmolive Company* v. *Cook Chemical Company*, certiorari granted March 29, 1965.

III. Review of the decision below is further a matter of public importance, aside from reasons I and II, because the monopoly established by holding valid seven different patents disclosing substantially the same machine, is based almost entirely on a finding that Schnell made a single "real discovery". The decision below thus creates a monopoly which, unless reviewed by this Court, will extend for a period of twenty-one years* and which will in all probability not be challenged in other circuits so as to provide a reviewable conflict of decision as to any of the patents.

At the time of the trial in this case, Respondent Griffith and Petitioner The Allbright-Nell Company were the only suppliers to the sausage industry in this country of this rotating knife type of comminuter. Respondents have granted no licenses to others, and the injunctions sought herein will, if allowed to issue, prohibit competition by Petitioner Allbright-Nell. If the decision below is allowed to stand, it is improbable that others will enter the field, either in the Seventh Circuit or elsewhere in the United States, even though the validity of each of the seven patents in suit, standing alone, is doubtful. This is particularly true not only because of the prohibitive cost of litigating 82 claims in 7 patents but also because the 82 claims have been found by the court below to be of such broad scope as to be infringed by comminuters which

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* The first Schnell patent to issue is No. 2,836,825 (reissued as Re. 24,683), issued May 27, 1958, which will expire **May 27, 1975** while the last of the Schnell patents in suit, which discloses the same comminuter, No. 3,044,514, will not expire until **July 17, 1979.**

No one would be free to employ the Schnell comminuting machine to practice the method of the Reissue patent or to use the apparatus of the intermediately issued patents Nos. 2,840,318, expiring on June 24, 1975; Reissue 24,764, expiring July 8, 1975; No. 2,906,310, expiring September 29, 1976; and No. 2,934,121, expiring April 26, 1977; until after expiration of patent No. 3,044,514. See, for example, claim 1 of the latter patent.

do not include many of the elements of the claims, and which include other claimed elements only to the same extent that these elements are found in the Hortnagl patent or in other prior art comminuting machines.

While the sausage-making industry is not concentrated in the Seventh Circuit, as was the automotive industry in *Schriber-Schroth Co.* v. *Cleveland Trust Co., Chrysler Corporation*, 305 U. S. 47 (1938), where this Court found the concentration of the industry a sufficiently compelling reason to grant certiorari, and while the patents in suit are not limited to sausage making, the improbability of litigation elsewhere is equally certain since no one other than Petitioner Allbright-Nell is selling comminuters of this type.

Moreover, the broad scope accorded to the seven patents in the lower courts' decisions would preclude any manufacturer of comminuting machines from marketing even the Hortnagl comminuter with the addition of a conventional seal on the drive shaft. It is thus of public importance that the decision below be reviewed by this Court even though a direct conflict of decision as to any one of the seven patents in suit does not presently exist, since it is virtually certain that there will be no further litigation in which such a conflict could arise.

ARGUMENT.

1. The conflict of decision as to the proper standard of invention has been recognized by this Court and justifies the exercise by this Court of its supervisory powers to prevent further erosion of the standard of patentability.

That an actual conflict of decision as to the proper standard of patentability exists in the United States Courts of Appeals and is a matter of public importance justifying the exercise by this Court of its supervisory powers, has been recognized by this Court in the granting of petitions for certiorari in cases Nos. 27, 43 and 55, *supra*, wherein no conflict between different courts of appeals as to the validity or invalidity of a particular patent was involved.

Furthermore, the existence and the public importance of this conflict is also clearly recognized by the lower courts. A detailed statement and recognition of this conflict is found in the recent decision of Judge Graven (sitting by assignment in the Southern District of New York) in the case of *Copease Manufacturing Co., Inc. et al.* v. *Cormac Photocopy Corporation*, ____ F. Supp. ____, 146 USPQ 109 (S. D. N. Y., June 25, 1965). After citing and quoting from this Court's decision in the *A & P* case, Judge Graven said (p. 118):

> "**There has been a diversity of attitudes by the United States Courts of Appeal as to the effect upon the matter of patentable invention by the enactment of Section 103.** Some of those Courts have continued to follow the strict rule relating to patents and especially combination patents apparently laid down in the case of *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp., supra.* Other of those Courts have seemed to have followed a more liberal rule relating to the validity of patents generally and combination patents in particular." (Emphasis added.)

After referring to the case of *Lyon* v. *Bausch & Lomb Optical Co.*, 224 F. 2d 530 (2nd Cir., 1955), certiorari denied at 350 U. S. 911, in which the Court of Appeals for the Second Circuit concluded that the enactment of Section 103 of the Patent Act of 1952 indicates congressional intent to depart from the "stricter standard of recent years" (as reflected in the *A & P* case) and to restore the earlier and less strict standards, Judge Graven said:

> "While the United States Court of Appeals for this Circuit follows the more liberal rule as to the matter of patentable invention and **while the United States Court of Appeals for the Seventh Circuit appears to have followed the liberal rule of the Court of Appeals for this Circuit** in upholding the validity of the patent in case, it is not certain what rule will be followed by the United States Supreme Court." (Emphasis added.)

Judge Graven then referred to this Court's recent grants of certiorari in cases Nos. 11, 37, 43 and 55, *supra*, and, observing that they would not be decided "until the next term" of the Court, concluded:

> "Therefore, for the present, this Court will follow the guides and tests as to patentable invention set by the United States Court of Appeals for this Circuit."

The brief filed by *amicus* E. Ernest Goldstein in case No. 11, *Graham Plow, Inc.* v. *John Deere Company, supra*, although it urges approval of the low standard of invention that was followed by the Court of Appeals for the Seventh Circuit in this case, acknowledges that the courts of the United States have "split dramatically" and points out that the Court of Appeals for the Eighth Circuit, which is generally considered to recognize the strict rule of the *A & P* case, has "held some 22 consecutive patents invalid" and that the Third Circuit record "now stands at 32 invalid out of the last 33 before it with only two dissents." It is

inconceivable that these two circuits, the Eighth and the Third, could be applying the same standard of invention as was applied by the Seventh Circuit in this case.

All of the reasons advanced for review in case No. 37, *supra,* are equally applicable here and are reproduced in part as follows:

> "Review should thus be granted in this case on a supervisory basis to 'correct instances of improper administration' of the governing standard and 'prevent its erosion' by a pattern of repeated misapplication. *Rogers* v. *Missouri Pacific R. Co., supra,* [352 U. S. 500] at 509. Cases like Rogers teach that the certiorari jurisdiction exists not only to enunciate the governing legal standards, but to ensure their application in practice where there is substantial and clear evidence of their misapplication. As this Court has recognized, the standards are meaningless if not applied. This Court thus has a supervisory or policing function to perform. As a perceptive commentator has put it: 'Nonetheless, harking back to the instances discussed earlier, the fields of patents and of jury trials . . . the Court's practical choices are either to give up the battle and accept defeat or to say "No, no, no."' Frank, Marble Palace (1958), p. 288.
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> "This case does not involve an abstruse patent in the field of electronics or chemistry, but a simple, mechanical patent. . . . Moreover, it involves a combination patent; a type of patent which affords a particular opportunity for abuse—through the subtraction of old elements from the public domain—and with respect to which it is essential that proper standards be maintained. The implications of this upon the ideal of free competition are obvious. Finally, the case affords the Court an opportunity to halt the spread of a doctrine which makes commercial success or commercial innovation a substitute for the basic constitutional requirements of invention."

2. The standard of invention applied by the court below, although not articulated, is the same as that of other courts of appeal that have specifically rejected the standard of the A & P case on the basis of 35 U. S. C. 103.

The standard of invention followed by the Court of Appeals for the Seventh Circuit in recent years was considered by Judge Graven in the *Copease* case, *supra,* to be the same liberal (or low) standard that has been followed by the Second Circuit Court ever since its decision in 1955 in *Lyon* v. *Bausch & Lomb Optical Co.,* 224 F. 2d 530 (2nd Cir., 1955), *supra.* That Judge Graven was correct is evidenced by a review of the record of this Court of Appeals, which indicates that in the past five years, in cases wherein the standard of invention as applied to combination claims was involved, *30 of the 40 patents that have come before it* (including the 7 patents in suit) *have been held valid.* Obviously, the Seventh Circuit Court of Appeals has not been scrutinizing combination patents with the "care proportioned to the difficulty and improbability of finding invention in an assembly of old elements" as it was admonished to do by this Court in the *A & P* case.

Furthermore, the fact that the extremely low or, as Judge Graven termed it, the "liberal" standard of invention was adopted by the lower court in this case is confirmed by the fact that all of the prior decisions cited by the court in support of its holding of validity were decided either prior to or within a few days after the decision of this Court in the *A & P* case. The standard of invention employed in the Seventh Circuit is perhaps most clearly stated in one of these cited cases (*Lewyt Corporation* v.

Health-Mor, Inc., 181 F. 2d 855, 858 (7th Cir., 1950)) as follows:

> "• • • a novel combination of old elements which so cooperate as to produce a new and useful result or a substantial increase in efficiency is patentable."

This standard of invention clearly does not conform to that adopted by this Court in the *A & P* case where the elements, all of which were old, had concededly been combined to produce a new and useful result. This Court, in the *A & P* case, recognized that the new assemblage of old elements there involved provided a substantial increase in efficiency by noting that it would "save the time of customer and checker," but the Court said:

> "The defect that we find in this judgment is that a standard of invention appears to have been used that is less exacting than that required where a combination is made up entirely of old components. It is on this ground that the judgment below is reversed."

While the Court of Appeals for the Seventh Circuit has, since the decision of this Court in the *A & P* case, paid lip service to that decision, they have adhered to the "liberal" standard of invention. Thus, in the case of *Ekstrom-Carlson & Co.* v. *Onsrud Machine Works, Inc.*, 298 F. 2d 765, 770 (7th Cir., 1962), the court noted their approval of the rule quoted above from the *Lewyt* case and observed that this rule "falls within the teachings of" the *A & P* case. The mere citation of the *A & P* case does not change the low standard of invention to which the Court of Appeals for the Seventh Circuit subscribes, but, rather, emphasizes the need for correction by this Court.

3. Commercialization is no substitute for invention and cannot justify the low standard of invention applied by the court below.

It clearly appears that the real basis for the decision below was not the presence of invention in the use of a seal in the Hortnagl machine or such trivia as the use of a sloping wall, the use of lugs, the tapering of the knife blades or the use of a groove along the lower knife edge. The court seems however, to include all of these in its acceptance of the wholly theoretical effect of a "hydraulic column", the existence of "back pressure" and the existence of "recirculation", all of which were either known or inherent in prior art machines, Schnell being merely the first to articulate these theories and effects in the specific language used in the Schnell patents. The district court admitted that the effect of the "hydraulic column" was "theoretical in that one cannot watch what happens to an individual particle of meat" (Finding 21, D App. 60). Moreover, the existence of recirculation in any high speed rotating comminuting machine wherein the axial flow of material is obstructed by the cutting means, as it must be to effect a cutting action, was described in prior patents disclosing comminuting machines (Powers patent No. 2,220,729, col. 2, lines 10-32; D App. 2327) and was conceded by Respondents' expert to be inherent in the Hortnagl machine (D App. 1199).

Instead, the real basis for the decision of the court below is found in the "commercial success" of the sealed Schnell machine. This "commercial success" means nothing more than that Respondent Schnell was the first to offer this particular comminuter to the sausage-making industry, and that Respondent Griffith was able, in approximately seven years, to sell something less than 800 machines to that industry (Finding 121, D App. 101) even

though the large sausage makers purchased machines in substantial quantities.* That the Schnell machine has not been generally adopted by the sausage-making industry is evident from the fact that the industry comprises between 3,500 and 4,000 sausage makers (D App. 1001).

This reliance on commercial success aside from its lack of record support flies in the face of this Court's admonition that "commercial success without invention will not make patentability" (*A & P* case, *supra*,). It also ignores this Court's characterization of commercial succes, under very similar facts, as a "makeweight", *Jungersen* v. *Ostby & Barton Co., et al.*, 335 U. S. 560, 567 (1949). The instant case emphasizes the public importance of requiring the lower courts to adhere to the views expressed by this Court with respect to commercial success. Thus, Respondents have been given seven overlapping monopolies, each of 17 years duration or, if the decision of the lower court is not corrected, a 21-year monopoly, for no other reason than that Respondents were the first to offer to the sausage-making industry a Hortnagl type of comminuting machine *with a seal.*

The approach adopted by the court below puts a premium not on invention but on factors such as salesmanship and ready access to markets.** The reliance placed by the court below on commercial success favors corporations having ready access to established markets over the independent inventor. It favors the commercial production of satisfactory machines through the exercise of mere mechanical skill over the performance of research or the exercise of unusual talent to provide solutions to problems that are beyond the skill of workers in the art.

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* Armour and Co. placed one order for 50 of Respondents' machines (D App. 159).

** Both Petitioner Allbright-Nell and Respondent Griffith Laboratories, Inc. sell primarily to the meat packing and food industry.

Nor does the recitation of the court below that Schnell satisfied a long felt want justify the holding of validity since there was no evidence either that Schnell was concerned with a problem faced by the sausage-making industry or that a long felt want existed or was recognized in the sausage-making industry, which is the only field in which the Schnell comminuters have achieved any commercial acceptance. This phase of the decision of the court below is squarely in conflict with this Court's decision in *Toledo Pressed Steel Co.* v. *Standard Parts, Inc.*, 307 U. S. 350, 356, 357 (1939), wherein this Court said:

> "As evidence in its favor on the question of invention, plaintiff cites efforts to find something useful to protect open-flame torches from extinguishment by wind or rain put forth by one engaged in operation of a street railway and by another employed by a manufacturer of lanterns. But it does not appear that either was familiar with the relevant prior art. **Nor is there any evidence of general or widespread effort to solve the problem here involved.** There is nothing that tends to raise what patentees did to the realm of invention. See *Paramount Publix Corp.* v. *Tri-Ergon Corp.*, 294 U. S. 464, 476, 55 S. Ct. 449, 454, 79 L. Ed. 997."

The present case provides a striking example of the anti-competitive results which stem from the substitution of commercialization for invention, and this alone is a further compelling reason for the grant of certiorari.

4. The standard of invention applied by the court below in sustaining the grant of a 21-year monopoly to Respondents on the basis of the solution of undefined "subsidiary problems" presents a further question of public importance sufficient to justify review by this Court.

The question of the propriety of a 21-year monopoly, based on the mere assemblage of numerous prior art mechanical elements into one comminuting machine, goes

beyond the broad questions as to the proper standard of invention that is involved in cases Nos. 11, 27, 43 and 55, *supra,* because denial of the writ in this case would leave this extended and improper monopoly undisturbed. The standard of invention adopted by the court below in sustaining the "subsidiary solutions" as patentable reaches the nadir of protection of public interest and should be corrected by this Court. The decision below completely ignores the established rules as to "double patenting" which are based on the constitutional and statutory provisions that clearly provide for the grant of only *one* patent on *one* invention. Here, Respondents have been granted seven patents when, by the application of the standard of invention of the *A & P* case, they were not entitled to even one patent.

The court below admitted (Appendix A, p. xi) that Schnell's single "real discovery" (that the use of a seal would improve the operation of the prior art Hortnagl device) did not solve "subsidiary problems," but the court then proceeded to hold that invention was involved in some undefined way in Schnell's solutions of the "subsidiary problems."*

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* The subsidiary solutions to which the lower court referred are:

1. The use of a sloping upper wall in the comminuting chamber (Finding 172; D App. 113) which was old in the prior art and which Petitioners' comminuters do not use (patent No. 2,840,318);

2. The use of "lugs" on the sloping wall above and overlying the knife (Finding 177; D App. 114) which was old in the prior art and which Petitioners' comminuters do not use (Reissue No. Re. 24,764);

3. The streamlining or tapering of the knife blades (Finding 151; D App. 107) which was old in the art and which Petitioners employ only interchangeably with nontapered knives (Patent No. 2,934,120);

4. The provision of a groove or a "pressure pocket" extending along the lower knife edge (Findings 160 and 165; D App. 108, 109 and 110) which was known in the prior art

The anticompetitive effect of the 21-year monopoly sustained by the lower court may best be illustrated by relating it to comminuters similar or identical to Petitioners' comminuter and to Respondents' comminuter.

Upon expiration of the method reissue patent No. 24,683 on May 27, 1975, Petitioners could not use their comminuter to practice the method because under the decision of the lower court they would still infringe at least five of the other six patents. For the same reason, no one other than Respondents could use the comminuter disclosed in the reissue patent.

Similarly, upon expiration of the sloping wall patent No. 2,840,318 on June 24, 1975, no one other than Respondents could use Petitioners' comminuter or the comminuter disclosed in this patent or in the method reissue patent because they would infringe several of the remaining patents.

Upon expiration of the lug reissue patent No. 24,764 on July 8, 1975, members of the public will not be free to use lugs of the type shown in this patent because under the decision of the lower court they would still infringe at least claim 5 of patent No. 2,906,310 and claims 3, 4 and 5 of patent No. 3,044,514.

Upon expiration of the seal patent on September 29, 1976, members of the public still could not use a seal on the shaft, nor upon expiration of the knife patents Nos. 2,934,120 and 2,934,121 on April 26, 1977, would they be free to use tapered or untapered knives with or without pressure pockets in combination with the sloping wall, the lugs and the seal of the expired patents because under the decision of

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knives and which Petitioners employ only in some of their knives and then only as a manufacturing expedient (Patent No. 2,934,121);

5. The provision of a "spreader" (Findings 141 and 145; D App. 105 and 106), although prior art rotating cutters employed spreaders, as is specifically explained in the Green patent No. 2,428,420 (Patent No. 3,044,514).

the court below they would still infringe several claims of the only remaining Schnell patent (No. 3,044,514).

Finally, not until 21 years after the grant of the earliest of the patents in suit will Petitioners or other members of the public be free to use Petitioners' comminuter or the comminuters shown in the expired Schnell patents.

The Court of Appeals for the Seventh Circuit has clearly recognized in its prior decisions the rule against double patenting and the requirement that only one 17-year monopoly should be granted on one invention. Thus, in *The Weatherhead Company, et al.* v. *Drillmaster Supply Company, et al.*, 227 F. 2d 98, 102 (7th Cir., 1955), the court said:

> "The principal reason for prohibiting double patenting, is to prevent inventors from getting more than the seventeen year monopoly on one invention. An extension of monopoly is only justified by the presence of invention which grants the second application as much dignity as the first."

It is exceedingly clear that the lower court has violated the above-stated rule by sustaining 82 claims of the seven patents in suit and has incorrectly applied an unsupportably low standard of invention which results in a 21-year monopoly even though the combination claims in the later Schnell patents differ from the claims of earlier Schnell patents, if at all, only in the recitation of mechanical expedients which were well known in the prior art.

CONCLUSION.

For the reasons stated above, this Petition for Certiorari should be granted.

Respectfully submitted,

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APPENDIX A.

IN THE UNITED STATES COURT OF APPEALS.

For the Seventh Circuit.

September Term, 1964—April Session, 1965

No. 14619
CARL SCHNELL and THE GRIFFITH LABORATORIES, INC.,
Plaintiffs-Appellees,
v.
THE ALLBRIGHT-NELL COMPANY, and PETER ECKRICH & SONS, INC.,
Defendants-Appellants.

No. 14620
CARL SCHNELL and THE GRIFFITH LABORATORIES, INC.,
Cross-Appellants,
v.
THE ALLBRIGHT-NELL COMPANY, and PETER ECKRICH & SONS, INC.,
Cross-Appellees.

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division.

July 9, 1965

Before HASTINGS, *Chief Judge,* and SCHNACKENBERG and KNOCH, *Circuit Judges.*

KNOCH, *Circuit Judge.* Plaintiffs-appellees, Carl Schnell and The Griffith Laboratories, Inc., brought this action in the United States District Court to recover

damages for patent infringement. The District Court held that each of plaintiffs' patents, as follows:

Patent Number	Claims
2,840,318	2
2,906,310	1 through 8
2,934,120	1 and 2
2,934,121	1 through 24
Re. Pat. 24,765	1 through 3 5 through 15
3,044,514	1 through 14 17 and 18
Re. Pat. 24,683	1 through 16

were valid and infringed by defendants. The defendants, The Allbright-Nell Company and Peter Eckrich & Sons, Inc., have appealed from that judgment.

After the District Court's decision but prior to the entry of the decree, defendants urged that the decree should provide for no injunction or damages with respect to Re. Pat. 24,683 on the ground that defendants had been released under that patent. The decree as issued was silent as to relief with respect to Re. Pat. 24,683, and plaintiffs have filed a cross-appeal based on that omission.

The District Judge made extensive and detailed findings of fact,* more than 270 in number, which defendants attack as not in the spirit of Federal Rules of Civil Procedure, Rule 52(a), and as not entitled to the protection usually afforded findings of fact by the Rules.

Defendants complain that the findings of fact were adopted without change or comment, with only slight omissions, from those suggested by plaintiffs. The defendants cite criticism of such wholesale adoption of one party's proposed findings of fact as not revealing the discerning line for decision of the basic issue in the case.

*—Published in ... F. Supp. ....

U. S. v. *Forness*, 2 Cir., 1942, 125 F. 2d 928, 942; *U. S.* v. *El Paso Natural Gas Co.*, 1964, 376 U. S. 651, 657.

There is no question that such findings of fact are formally the findings of fact of the Court and must stand if supported by the evidence, even if they may be, as the Court in El Paso asserts, less helpful to the Appellate Court than findings of fact personally drafted by the Trial Judge might have been. 376 U. S. 656, ftn. 4.

The defendants further contend, however, that the findings of fact in this case are not so supported and are clearly erroneous.

The findings of fact in this case are abundantly annotated with references to documentary evidence and testimony of witnesses, making it a comparatively simple matter for this Court to determine that the findings are supported by the evidence and are not "clearly erroneous." We are satisfied that the proper standards have been applied by the District Court in holding the patents valid and infringed. *Graver Mfg. Co.* v. *Linde*, 1949, 336 U. S. 271, 274-5; *Armour & Co.*, v. *Wilson & Co.*, 7 Cir., 1960, 274 F. 2d 143, 156-7; *Hazeltine Research* v. *Admiral Corp.*, 7 Cir., 1950, 183 F. 2d 953, 954-5 *cert. den.* 340 U. S. 896; *O'Brien* v. *O'Brien*, 7 Cir., 1953, 202 F. 2d 254, 255.

Defendants see these patents as relating to comminuting machines, which merely reduce larger relatively solid substances to minute particles, with elements and functions all old in the comminuting art. It is not disputed that prior to Schnell's discoveries cutters and grinders were in use by sausage manufacturers and others. Defendants refer to batch type comminuting machines called "mixers" used in Germany in 1952 to grind up various materials for pigs' feed.

Carl Schnell of West Germany had been making vege-

table "musers" which defendants describe as continuous comminuting machines and which plaintiffs call a glorified Waring Blender in which knives rotate in a batch of liquid material. In 1954, Mr. Schnell found that he could cut raw pork rinds to produce a better emulsion which would be suitable for human consumption.

While some forms of sausage use meat in coarsely ground form, most varieties, such as frankfurters and bologna, use emulsions of solid meat and fat in a liquid carrier, which must not separate out into water and fat. The sausage industry utilizes residual portions of trimmings of meat, much of which contains hard gristle which has nutritional value, but which previously was not always found usable.

Mr. Schnell learned that he could emulsify even these hard particles. The defendants contend that Mr. Schnell's vegetable musers were used for this purpose with no substantial changes and that the musers originally were substantially similar to the prior art Hortnagl patent (Austrian Pat. 179,437, issued 1954, Fodder and Beet Mill).

The original machines were not satisfactory for either large scale production or the finest sausages and plaintiffs view them as having been only the springboard for Mr. Schnell's real discovery that one secured a superior product and greatly increased output when the meat, fat and water were comminuted and discharged in the absence of air by sealing off air from the column of meat passing through the machine. Mr. Schnell testified that the machine with the seal aspirated like a pump. The plaintiffs describe the plastic meat material emulsified in the absence of air as existing in a hydraulic column. Mr. Schnell also testified that the small motors previously used burned out when used with the new machines which required greater power.

Plaintiffs' witness, William J. Turner, employed by Griffith Laboratories, Inc., testified that for the past seven years he had been engaged in servicing and demonstrating plaintiffs' Mince Master machines. He testified to the problem of temperature rise involved in comminuting action which was dangerous for perishable edible products. The full power of the motor is translated into heat energy most of which is released into the small zone through which the meat is passing at a rate comparable to that produced in a large furnace. Yet to avoid deterioration of the product, the zone must not be warmed in excess of about 15 degrees.

The plaintiffs point out that in a slow speed grinder much of the heat energy will be lost by conduction through the metal walls of the machine, but when the power input is doubled, little additional heat will be lost by conduction, and when the power is further multiplied, the extra energy will be dissipated as heat into the material being ground.

Mr. Schnell discovered that by maintaining a hydraulic column in which the plastic meat was substantially air free, efficiency of comminuting was so increased that more power was applied to the device with less temperature increase in the meat because the increase in the rate of the meat flow through the machine exceeded the added power.

As the plaintiffs explain, when particles separated by air pass through a grinding machine, a particle propelled by a knife may hit a particle ahead of it which is moving more slowly, but will have no effect on the following particles. In the absence of air, the movement of any particle will pull along those particles behind it and the action of a knife on one particle in a sealed plastic column affects the whole hydraulic column.

This now seems simple and obvious in the light of the Schnell teaching, but it was evidently not at all obvious at the time of the invention. Those working in the field did not accomplish Schnell's results. That fact supports the conclusion that Schnell achieved patentable inventions. *Pyle Nat. Co.* v. *Lewin,* 7 Cir., 1937, 92 F. 2d 628, 630.

The defendants argue that a "hydraulic column" was present although not so described in the prior art. The defendants compare the physical elements in the prior art devices with the patented devices and conclude that these were all well known. The District Court had the benefit of two experts' testimony: defendants' witness Clarence T. Fishleigh and plaintiffs' witness Karl E. Schoenherr. We have also read their testimony. We believe that it is only in the light of hindsight that the prior art seems to disclose the Schnell invention and to lend itself to the modifications now suggested by the defendants to adapt that prior art in the direction of attempts to accomplish the function of the patents. The defendants, however, did not develop their own device from the prior art but from Schnell. *Diamond Rubber Co.* v. *Consolidated Rubber Tire Co.,* 1911, 220 U. S. 428, 31 S. Ct. 444, 450.

The prior art, including Hortnagl, avoided increases in size of motor with attendant increases in temperature. Hortnagl even provided for an air intake. The principal prior art on which defendants rely was considered by the Patent Office. Of the few patents not so considered, none appear any more pertinent than those which were cited or considered. That factor also adds weight to the presumption of validity of the patents. *Hunt* v. *Armour & Co.,* 7 Cir., 1950, 185 F. 2d 722, 726; *Lewyt Corp.* v. *Health-Mor Inc.,* 7 Cir., 1950, 181 F. 2d 855, 857, *cert. den.* 340 U. S. 823.

Mr. Schnell's discovery made possible a tremendous increase in production of sausage. Mr. Turner testified that using older unsealed machines an operator had time to stop and rest between insertion of batches of meat, but with the new Schnell machine two operators were continuously engaged in shoveling meat into the hopper. He spoke of production at 200 pounds per minute with a temperature rise of only 10 degrees.

Edwin B. Cypser, manager of production control of sausage for Armour & Co., engaged in Armour's sausage production for 33 years, testified to the changes wrought. He spoke, for example, of the employment of "artist" chopper operators, highly skilled, highly paid workmen who decided how long particular batches of meat were to be chopped. He said that there were no set standards; one depended on the personal temperament and knowledge of this key operator. If he were absent, no sausage could be made. The services of this highly skilled artist are no longer required.

Mr. Cypser said that in 1958 his sausage division at Armour was running a deficit of about $2 million. Then he heard about the Schnell Mince Master. Eighteen months later, he had a profit of $4 million, of which he attributed about $1 million to the Mince Master program, which cut the time of 12 to 15 minutes previously spent in the preliminary chopper to only 4 or 5 minutes. He testified to savings of about $2 per hundred-weight. Sausage materials normally not susceptible to chopping were now being used.

Mr. Cypser spoke of eye appeal as an important element in selling sausage. He said nutritious shank meat has tendons which are difficult to chop out. High protein material with visible spots of gristle were objectionable to customers. The industry shied away from the cheap,

nourishing, but tough beef cheeks. These were now usable.

Fred Raymond Swanson testified to his extensive experience in the sausage business with various firms beginning in the mid 1920's. He described similarly startling changes in operation following the Schnell discovery. He said that the John Morrell Company experienced savings of up to 4 cents per pound on some items.

In developing his machine, Mr. Schnell made some structural changes to gain certain advantages, e.g. the shapes of the propelling knife and the obstructing and circulating surfaces that corporate with it; the perforate plate and obstructing means.

The evidence supports the finding that Schnell satisfied a long felt want met with prompt commercial success: another point supporting validity. *Copeman Laboratories Co.* v. *General Plastics Corp.*, 7 Cir., 1945, 149 F. 2d 962, 964.

In September of 1956, Griffith Laboratories, which was Mr. Schnell's United States agent, first received his sealed, more powerfully motored Mince Master machine, which was later discovered to be capable of developing between 75 and 80 horsepower. This was sent to Saratoga Meat Company in Chicago for testing. The machine was shown at the American Meat Institute Convention that same month. Also on display at the same Convention was a "Cutfix" machine which Carroll L. Griffith, president of the Griffith Laboratories, described as a copy, made in Europe by the Friess Company, of a Schnell machine without the seal which shut out air. Both machines were seen by representatives of The Allbright-Nell Company.

Norman Allbright, then president of The Allbright-Nell Company, sought without success to make arrangements with Mr. Griffith to manufacture the Schnell Mince Master.

Mr. Griffith testified that he warned Mr. Allbright that Mr. Schnell expected to be granted patents and that he would defend them.

Allbright-Nell Company acquired a Friess Cutfix. According to the deposition of its chief engineer, Ralph W. Illsley, Allbright-Nell reconstructed the Cutfix metric system noninterchangeable parts, part for part, on American standards with parts which could be replaced in the field. Subsequently an Americanized Cutfix was sent by Allbright-Nell to Peter Eckrich & Sons, Inc., for testing and modification. Eckrich also obtained a sealed Mince Master late in 1957 which was put into actual use in production and which was known to produce a satisfactory brand of sausage. It was observed by Vincent S. Sondej who came to work for Allbright-Nell in January 1954 as design-draftsman and rose to the post of design engineer. For a time he had been a salesman but returned to the development department as design engineer. At the time he testified he was assistant to the department manager.

Mr. Sondej testified that his department was trying to produce a machine as good or better than the Mince Master. Eckrich made a horizontal emulsifier which was tested in December 1957. In April 1958, Eckrich bought another Mince Master from Griffith as a standby for its first Mince Master. The defendants made and sold their own horizontal machines as Anco Emulsitators. We are satisfied from our study of the record that grinders and strainers such as the prior art devices, however fine, do not produce a homogeneous emulsion. As plaintiffs point out, the defendants did not merely speed up the grinders which they already had. They built an emulsitator.

We have examined the exhibits with care, and we agree with the District Judge that it makes no material difference that the knife in the defendants' Emulsitators rotates vertically about a horizontal axis instead of horizontally about a vertical axis as in Schnell. The defendants' Emul-

sitators do the same work in substantially the same way as the Mince Masters and produce substantially the same results.

We have paid particular attention to the various "tests" from which the parties draw conflicting conclusions. For example, the defendants assert that introduction of coloring matter resulting in a uniform color of the meat at the discharge outlet is not evidence of retrograde recirculation. Like the District Judge, we find more logical the reasoning of the plaintiffs that injection of dye twice per second into the defendants' Emulsitator comminuting chamber, with the meat moving forward about 5 inches between the injections, would not result in uniform distribution of the dye throughout the discharged meat in the absence of retrograde recirculation of coloring matter and meat. In plaintiffs' tests carbon black was introduced into the Emulsitator feeding hopper at 6-inch intervals and the discharged material was uniform at all points between the injection points. There must have been retrograde recirculation.

It is clear that defendants' machines are sealed and do provide a hydraulic column. We have devoted detailed study to the assertions of the defendants that their machines do not infringe the claims in suit, contrary to the precise findings of the District Court. A typical attack on the Trial Court's findings is the assertion that reference to centrifugal movement which might bend a copper tube is misleading because it has no relation to circulation. The District Court was referring not only to the circulation above and in advance of the knife area so as violent as to bend a quarter-inch copper tube when placed at the lower part of the neck, but also the fact that the circulation at the top of the neck did not have this degree of violence. He reasoned that this showed the presence of recirculation. He also referred to the delivery of meat to the valve plate

at a speed of 1000 inches per second, passing through the holes in the plate at a rate of less than 10 inches per second and reasoned that the rest of the material must be moved backward and mixed with inflowing material. Unlike the defendants, we find the Trial Judge's reasoning persuasive.

Similarly the defendants criticize the District Court's application of the term "continuous annular lug" to the smooth continuous circular edge in defendants' machines at the juncture of the throat of the machine with the top wall of the comminuting chamber. They contend that none of the claims calling for lugs are infringed by the defendants' commercial machines which do not employ that element. Recourse to the evidence which the Trial Court obviously accepted discloses references to a "lug ring."

We have considered all of the defendants' comments on the various findings, but deem it unnecessary to discuss each one. The above examples should suffice.

With respect to the reissue patents it seems to us that the file history supports the finding of the Patent Office that mere "error without any deceptive intention" occurred here. *Topliff* v. *Topliff*, 1892, 145 U. S. 156, 12 S. Ct. 825, 830; *Benger Laboratories, Ltd.* v. *R. K. Laros Co.*, 3 Cir., 1963, 317 F. 2d 455, 456, cert. den. 375 U. S. 833. The entire disclosure of the original patent does support the claims in the reissue. Application of *Handel, CCPA*, 1963, 312 F. 2d 943, 948-9; *Richmond Engineering Co.* v. *Bowser, Inc.*, 4 Cir., 1959, 264 F. 2d 595, 598, ftn. 1. Nor do we find any intervening rights in the defendants who have infringed valid claims of the original patent which were retained unchanged in the reissue. *Weller Mfg. Co.*, v. *Wen Products Inc.*, 7 Cir., 1956, 231 F. 2d 795, 799.

We also agree with the District Court with respect to the issue of double patenting. The basic invention does not solve all the subsidiary problems, solutions to which

present separate and distinct inventions. *Binks Mfg. Co.* v. *Ransburg Electro-Coating Corp.*, 7 Cir., 1960, 281 F. 2d 252, 257. The patent examiners were well aware of the various pending and issued Schnell patents.

We have scrutinized all of the defendants' points and authorities, but find no basis for reversing the determinations of the District Court in Appeal No. 14619, which is affirmed.

We also affirm the decision of the District Judge with respect to the Cross-appeal No. 14620. The plaintiffs contend that the defendants failed to accept the plaintiffs' conditional offer of a license under Re. Pat. 24,683, electing instead to seek determination of the issues of validity and infringement. The plaintiffs explain that by their letter, part of which is quoted below, they offered to release the defendants, but that, because of the defendants' failure to accept this offer, the plaintiffs were forced to elect to take a dismissal with prejudice under Re. Pet. 24,683 or charge it to be valid and infringed.

The letter states in part:

> "It has not been plaintiff's policy to require from anyone a royalty under United States Letters Reissue Patent No. 24,683, which reissue patent is referred to in the above action. Therefore, with respect to said reissue patent, and said reissue patent only, defendants are released as to the past and future use of:
>
> (1) All machines sold or leased to date by them, or either of them; and
>
> (2) All machines which may be hereafter sold or leased by them, or either of them, until a future date of which each of the defendants will be informed by notice at least 90 days before said future date."
>
> • • • • •
>
> "With reference to sub-part (2) above, if such notice is given, it will specify a royalty for use of machines

made, leased or sold after said future date; and this same royalty will be charged by plaintiffs, as a separate items, for use of machines sold or leased by plaintiffs under said reissue patent 24,683, or either of them, in this country."

It constituted an unconditional release. No notice of termination had been given at the time of the hearing before the District Judge on the form of the judgment to be entered.

The actions of the defendants in resisting a finding of validity and infringement were not inconsistent with their availing themselves of the release insofar as it covered their activities up to 90 days after receipt of the notice of termination to which the letter refers, whenever and if such notice should be given.

Jurisdiction of this cause was specifically reserved in the District Court for award of attorneys' fees and damages at some reasonable date after expiration of time for appeal or after mandate.

AFFIRMED.

APPENDIX B.

Österreichisches Patentamt
Patentschrift
Nr. 179437
Kl. 45 b, 54

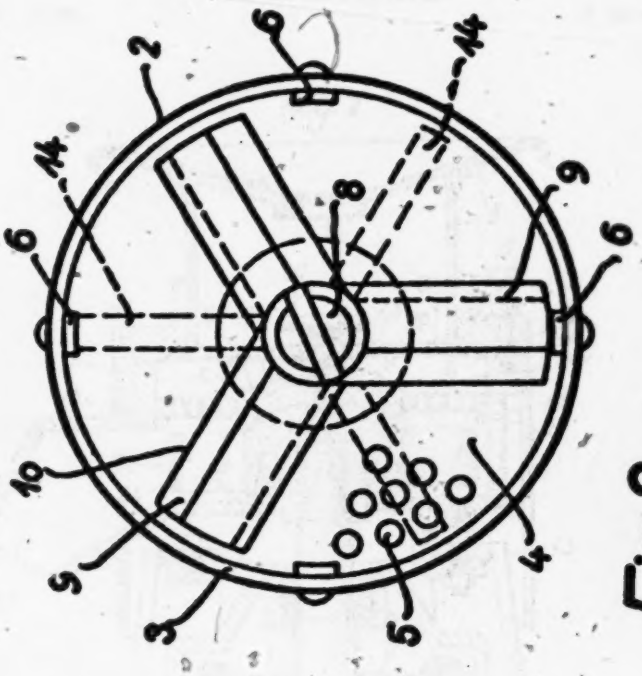


Fig.2

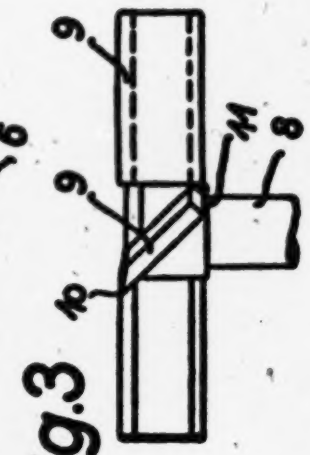


Fig.3

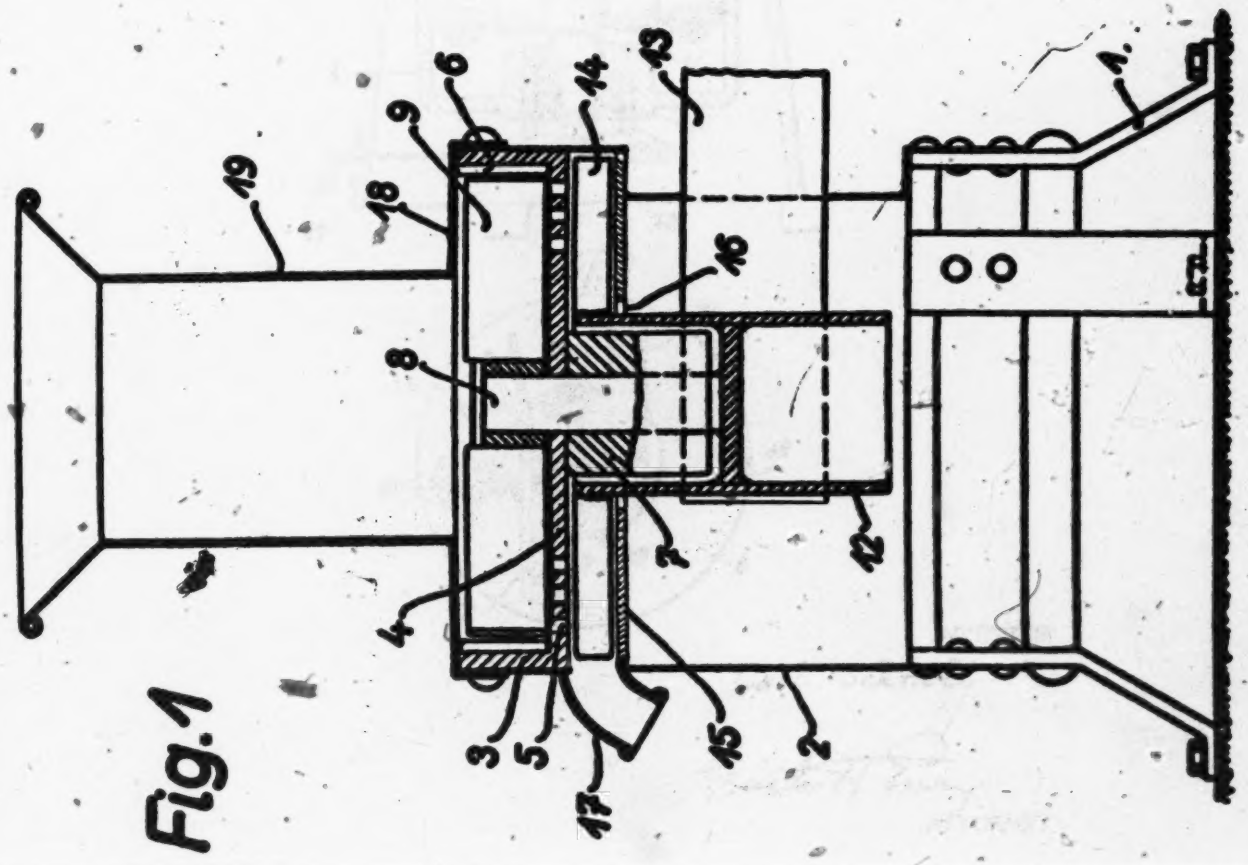


Fig.1

ii

APPENDIX B

June 24, 1958 C. SCHNELL 2,840,318

COMMINUTING MACHINE HAVING PERFORATED PLATE AND ROTARY CUTTER

Filed March 19, 1956 3 Sheets-Sheet 1

Fig. 1

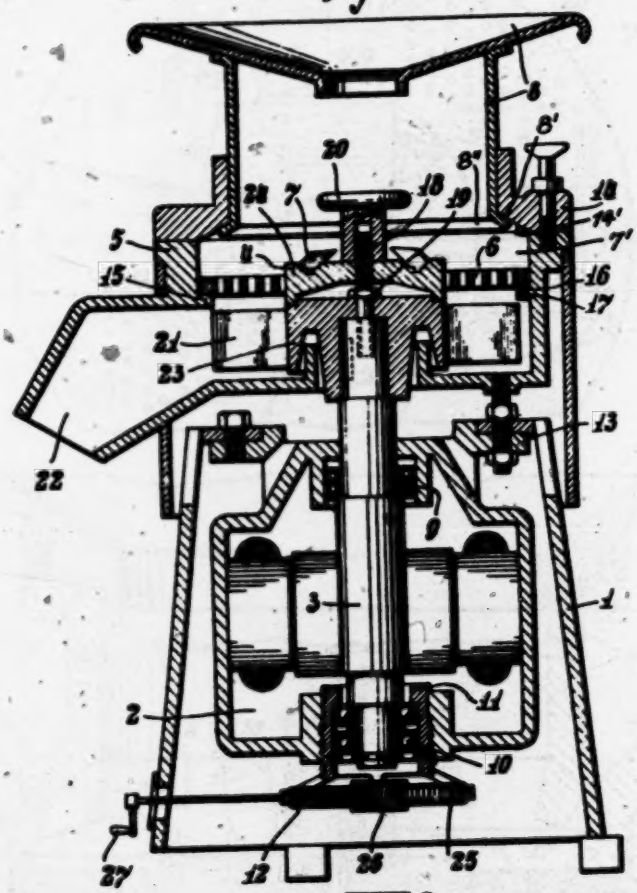
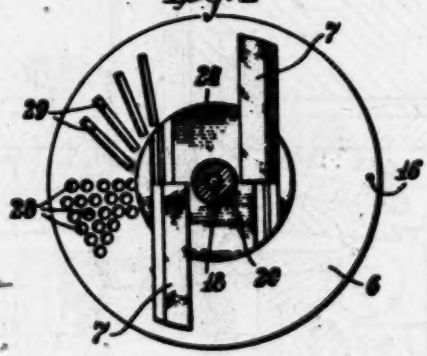


Fig. 2



INVENTOR

Carl Schnell

BY Gustav H. Emery

ATTORNEY

APPENDIX B

Aug. 18, 1959 C. SCHNELL Re. 24,683

METHOD OF COMMINUTING MEAT

Original Filed Aug. 2, 1957 3 Sheets-Sheet 3

Fig. 3

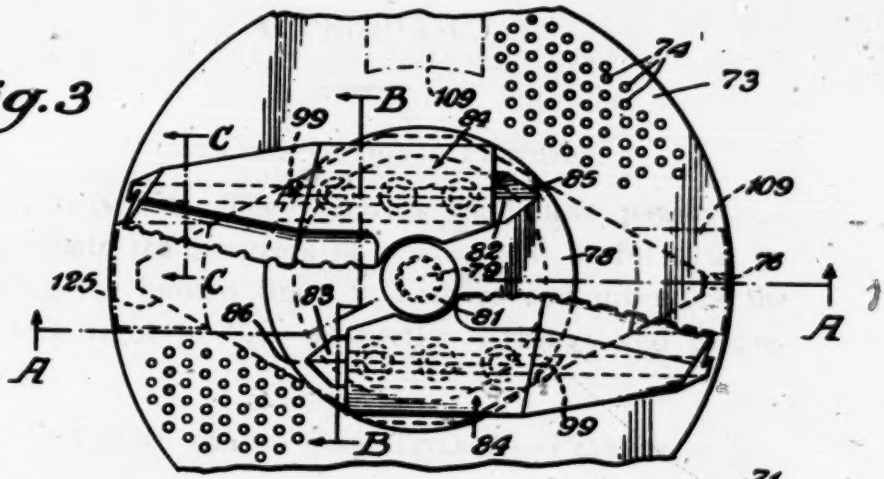
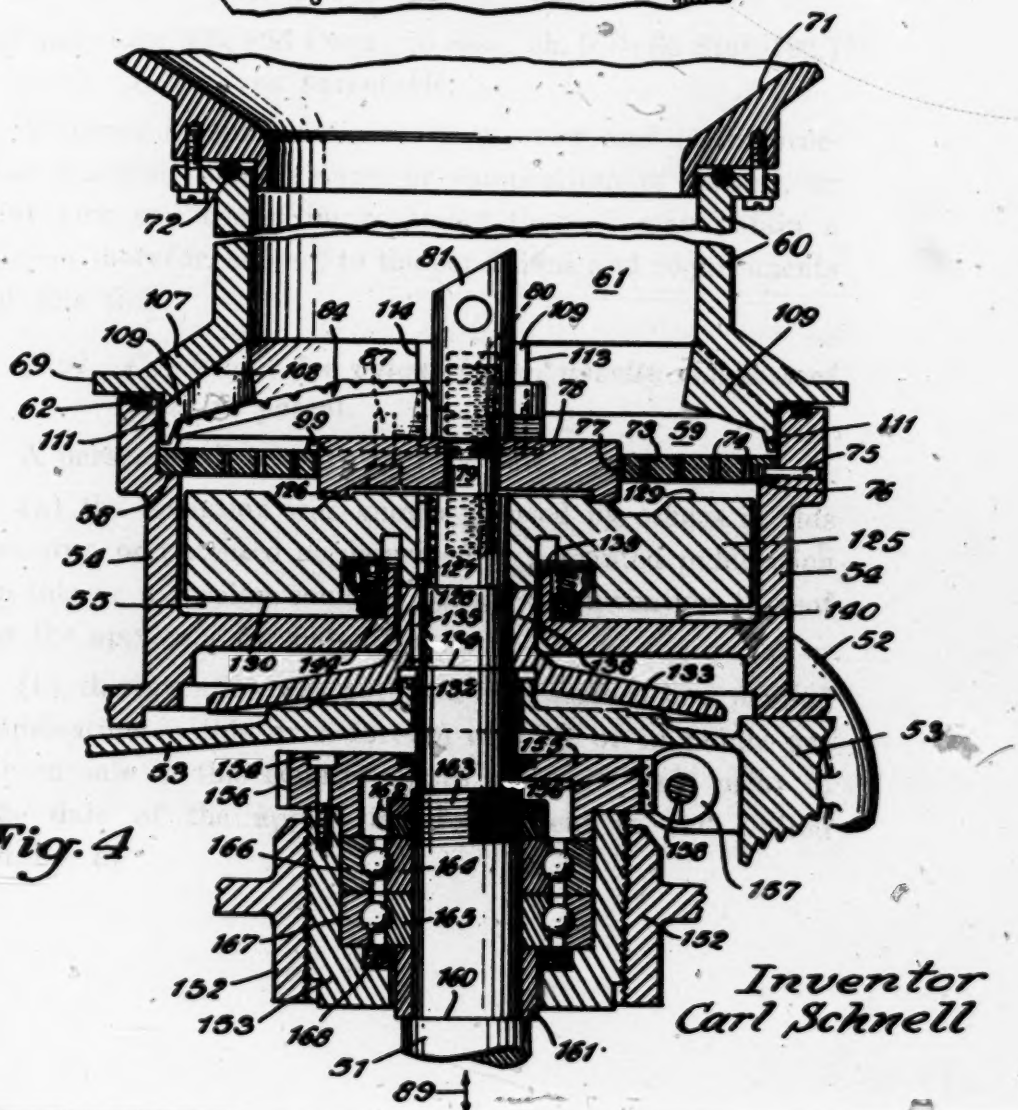


Fig. 4



APPENDIX C.

"THE CONSTITUTIONAL PROVISION.

Art. 1, Sec. 8. The Congress shall have power . . . To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

"UNITED STATES CODE TITLE 35—PATENTS.

(Public Law 593, 82d Cong., 2d sess., ch. 950; 66 Stat. 792.)

§ 101. *Inventions patentable.*

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

§ 102. *Conditions for patentability; novelty and loss of right to patent.*

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

§ 103. *Conditions for patentability; non-obvious subject matter.*

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

§ 282. *Presumption of validity; defenses.*

A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

(1) Noninfringement, absence of liability for infringement or unenforceability,

(2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,

(3) Invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112 or 251 of this title,

(4) Any other fact or act made a defense by this title.

* * *"

Office-Supreme Court, U.S.
FILED
OCT 4 1965
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1965.

No. 572

THE ALLBRIGHT-NELL COMPANY AND PETER ECKRICH AND SONS, INC.,

Petitioners,

vs.

CARL SCHNELL AND THE GRIFFITH LABORATORIES, INC.,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

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THE GOTTSDIER-HARRIS PRINTING COMPANY, CHICAGO

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Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp., 340 U. S. 147, 95 L. Ed. 162 (1950) 7, 8, 9

Powder Power Tool Corp. v. Powder Actuated Tool Co., 230 F. 2d 409 (7th Cir. 1956) 7, 8

Southern Implement Mfg. Co. v. McLemore, ... F. 2d ....., 146 U.S.P.Q. 680 (5th Cir. 1965) 12

United States v. Harvey Steel Co., 196 U. S. 310, 49 L. Ed. 492 (1905) 3

STATUTE.

35 U. S. C. § 103 ..... 7, 8

IN THE

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OCTOBER TERM, 1965.

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THE ALLBRIGHT-NELL COMPANY AND PETER ECKRICH AND SONS, INC.,

Petitioners,

vs.

CARL SCHNELL AND THE GRIFFITH LABORATORIES, INC.,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

STATEMENT.

Respondents, Carl Schnell and The Griffith Laboratories, Inc., oppose the petition for writ of certiorari.

Petitioners have correctly referred to the opinion below. Their statement of jurisdiction is not questioned.

Petitioners raise false issues and have grossly misrepresented facts and holdings of the courts below.

ARGUMENT.

1. Introduction.

The trial court's conclusions of inventiveness of the subject matter claimed by respondents and its unobviousness were arrived at *only after* 19 trial days, including evening and Saturday sessions, wherein some 3,950 pages of testimony and oral argument were recorded, 17 witnesses were examined including 7 specially brought over from West Germany, two movies were shown, numerous charts exhibiting each claim in suit were dissected and analyzed, demonstrations were run, and actual machines of both parties in suit were examined in detail.

It is important to note that proposed findings and post-trial briefs were submitted by both petitioners and respondents *before* the trial court rendered its judgment. That is, the trial court did not render a judgment and then give the winning party a *carte blanche* opportunity to prepare findings.

2. Schnell's Patents Cover Patentable Inventions.

Invention involves a question of fact and the facts are, as found by the courts below, that the sausage industry is based upon the utilization of those portions of carcasses of cattle or hogs which cannot be used for steaks, hams, or chops. (F. 9, D.A. 56.)* Prior to respondent Schnell's invention, grinders and choppers were employed to produce sausage emulsion with the significant drawbacks that many nutritional types of meat trimmings could not be

* The findings of fact will be referred to as "F. ....."; pages of petitioners' Appendix in the court below as "D.A. ....."; petitioners' exhibits as "DX-....."; pages of petitioners' Appendix for this Court immediately following their petition as "D.A. App. ....."

utilized, production was relatively slow and required the employment of skilled sausage makers, the temperature of the product was undesirably high, and the sausage emulsion produced was too stringy. (F. 10-15, D.A. 56-58; F. 26, D.A. 61-62.)

Because of Schnell's unobvious discoveries, many nutritional trimmings, which could not theretofore be used, could be utilized in producing a new and superior sausage emulsion at a tremendous production rate and with great savings to the manufacturer. (F. 16-21, D.A. 58-60; F. 24-26, D.A. 60-62; F. 29, 31-36, D.A. 63-64; F. 42, D.A. 66; F. 65 D.A. 72; F. 200-03, D.A. 129-30; F. 246, D.A. 140.)

As found by the courts below, petitioners, rather than develop their own machine, conspired to copy respondents' machines. They secured respondents' machines and faithfully copied them rather than use the prior art which they praised throughout this litigation. (F. 49-68, D.A. 67-73; F. 250, D.A. 141.)

The detailed annotated findings of the district court considered, *inter alia,* in great detail petitioners' testimony and arguments, discussed all of the claims in suit, found the patents in suit valid and infringed,** and held:

> (1) Respondent Schnell made many new, useful and unobvious discoveries concerning comminuting machines and methods of comminuting meat products. In addition, his new, useful and unobvious inventions of the patents in suit produce new and superior meat products at a lower per pound

**Despite the fact both courts below held the petitioners were released or licensed as to Patent Re. 24,683, petitioners are still contesting the validity of this patent (e.g., pages 3, 5, 27 of petition) in spite of this Court's holdings to the contrary that a licensee cannot deny the validity of the licensor's patent. *United States* v. *Harvey Steel Co.,* 196 U. S. 310, 49 L. Ed. 492 (1905); *Automatic Radio Mfg. Co.* v. *Hazeltine Research, Inc.,* 339 U. S. 827, 94 L. Ed. 1312 (1950).

operating cost, displaced space-consuming and more expensive equipment, and revolutionized the sausage industry. (F. 16-37, D.A. 58-65; F. 42-44, D.A. 66; F. 65, D.A. 72; F. 67, D.A. 73; F. 110-15, D.A. 95-97; F. 121, D.A. 101; F. 199-203, D.A. 129-30; F. 246, D.A. 140.)

(2) Respondent did not derive any of his inventions from anyone else. (F. 263, D.A. 144.)

(3) Each of the inventions claimed in any one of the patents in suit is directed to subject matter that is separate and patentably distinct from the subject matter of the claims of the other patents in suit, and none of the claims in any of the patents in suit reads in terms or in substance on any other claim or claims of other patents in suit. (F. 245-48, D.A. 140-41.)

(4) Petitioners deliberately and faithfully copied respondent Schnell's inventions, rather than use the prior art they praised. (F. 28, D.A. 62; F. 49-68, D.A. 67-73; F. 250, D.A. 141.)

(5) The claims in suit cover in terms and substance petitioners' machines and parts and/or their operation. Petitioners' machines do the same work in substantially the same way and accomplished substantially the same results as the machines of patents in suit. (F. 27-29, D.A. 62-63; F. 31, 33, D.A. 63; F. 35, D.A. 64; F. 49-68, D.A. 67-73; F. 108-09, D.A. 94-95; F. 135, D.A. 104; F. 140, D.A. 105; F. 149-50, D.A. 107; F. 156, D.A. 108; F. 163-64, D.A. 110; F. 170-71, D.A. 112; F. 175-76, D.A. 113; F. 180-81, D.A. 114; F. 183-93, D.A. 115-18; F. 195, D.A. 118; F. 251, D.A. 141.)

That the court of appeals carefully examined the record to arrive at its own determination prior to affirming

the lower court decision, is evidenced by its carefully considered eleven-page decision, much of which is devoted to its discussion of the facts based upon the court's own independent review of the record, as where it stated:

> "The defendants further contend, however, that the findings of fact in this case are not so supported and are clearly erroneous.
>
> "The findings of fact in this case are abundantly annotated with references to documentary evidence and testimony of witnesses, making it a comparatively simply matter for this Court to determine that the findings are supported by the evidence and are not 'clearly erroneous.' We are satisfied that the proper standards have been applied by the District Court in holding the patents valid and infringed." (D.A. App. iii.)
>
> • • • • •
>
> "The District Court had the benefit of two experts' testimony: defendants' witness Clarence T. Fishleigh and plaintiffs' witness Karl E. Schoenherr. *We have also read their testimony.*" (Emphasis added.) (D.A. App. vi.)
>
> • • • • •
>
> "*We are satisfied from our study of the record* that grinders and strainers such as the prior art devices, however fine, do not produce a homogeneous emulsion. As plaintiffs point out, the defendants did not merely speed up the grinders which they already had. They built an emulsitator." (Emphasis added.) (D.A. App. ix.)
>
> • • • • •
>
> "*We have examined the exhibits with care,* and we agree with the District Judge that it makes no material difference that the knife in the defendants' Emulsitators rotates vertically about a horizontal axis instead of horizontally about a vertical axis as in Schnell. The defendants' Emulsitators do the same work in substantially the same way as the Mince Masters and produce substantially the same results." (Emphasis added.) (D.A. App. ix-x.)
>
> • • • • •

> *"We have paid particular attention to the various 'tests' from which the parties draw conflicting conclusions."* (Emphasis added.) (D.A. App. x.)
>
> • • • • •
>
> *"We have devoted detailed study to the assertions of the defendants* that their machines do not infringe the claims in suit, contrary to the precise findings of the District Court." (Emphasis added.) (D.A. App. x.)
>
> • • • • •
>
> *"We have scrutinized all of the defendants' points and authorities,* but find no basis for reversing the determinations of the District Court in Appeal No. 14619, which is affirmed." (Emphasis added.) (D.A. App. xii.)

The main thrust of petitioners' argument appears to be that the courts below applied some "low standard of invention," requiring "only that a combination of old elements be new and useful," and that such a standard is wrong. Petitioners do not show, however, where such a "low standard" of invention was applied by either of the courts below.

The courts below did *not* determine invention based merely on the existence of a new and useful combination of old elements. The trial court found and the court of appeals agreed, following its review of the record, that respondent Schnell's inventions: were not disclosed or suggested in the prior art, considered individually and collectively; included new and unexpected combinations of elements or steps; produced unexpected results; and were not obvious to one skilled in the art. (F. 200-03, D.A. 129-30.)

It should be noted, particularly, that Findings of Fact 202 and 203, state that respondent Schnell "unexpectedly combined" certain elements or steps and the claims of the patents in suit define new and patentable combinations of

functionally cooperating elements or steps, which combinations "would not have been obvious to one skilled in the art," based on knowledge of the asserted prior art patents and publications introduced in evidence by petitioners. Further, Findings 111 (D.A. 95) and 113 (D.A. 96-97) point out petitioners admitted the *unexpected importance* of sealing their comminuting machines to prevent ingress of air and provide a hydraulic column of meat material. See *Powder Power Tool Corp.* v. *Powder Actuated Tool Co.*, 230 F. 2d 409, 415, 416 (7th Cir. 1956).

It is thus clear the district court found Schnell's inventions to be unobvious and applied a standard of invention based on much more than mere novelty and utility, and one that certainly fully meets 35 U. S. C. § 103. Contrary to petitioners' assertions on page 15 of their petition, this case does not place an important question of federal law before this Court.

The court of appeals found the trial court's findings to be proper and supported by the evidence. The court also stated it was satisfied that the proper standards were applied by the lower court in holding the patents valid. Neither of the courts below stated or indicated that mere novelty and usefulness were applied in measuring whether invention existed, and their holdings show otherwise.

Rather than show where or how the courts below applied petitioners' asserted "low standard of invention" based on mere novelty and usefulness, petitioners conveniently ignored the contrary holdings of the courts below.

Petitioners argue, without a stated basis, that a "high" standard of patentability was enunciated by this Court in *Great Atl. & Pac. Tea Co.* v. *Supermarket Equip. Corp.*, 340 U. S. 147, 95 L. Ed. 162 (1950) and followed by the Court of Appeals for the Eighth Circuit in *Graham Plow, Inc.* v. *John Deere Co.*, 333 F. 2d 529 (8th Cir. 1964),

cert. granted, 379 U. S. 956 (Case No. 11), whereas a "low" standard of invention was allegedly followed in the instant suit by the Seventh Circuit.

In the *Graham* case, which is totally inapposite to the instant case, the court of appeals for the Eighth Circuit followed the standard applied by this Court in *Great Atl. & Pac. Tea Co.* v. *Supermarket Equip. Corp., supra,* and stated (333 F. 2d 529, 533-34), that although the trial court found specifically that the patented structure was not obvious, nowhere did the court find any new or significantly different result. If a finding of an "unusual or surprising" result as alluded to on page 14 of petitioners' brief, is requisite in satisfying the "high" standard of patentability advocated by petitioners, then this suit satisfies completely such a requirement.

The district court found that respondent Schnell's inventions involved a new combination of cooperating elements or steps which produced new and startling changes in the industry whereby a superior product was made at a tremendous savings to the manufacturer. (F. 16-21, D.A. 58-60; F. 24-26, D.A. 60-62; F. 29-36, D.A. 63-64; F. 42, D.A. 66; F. 65, D.A. 72; F. 200-03, D.A. 129-30; F. 246, D.A. 140.)

The Seventh Circuit held that these findings were proper and added (DA App. iii):

> ". . . We are satisfied that the proper standards have been applied by the District Court in holding the patents valid and infringed."

The standard of invention applied in the instant suit by the trial court and court of appeals fully embraced the requirements of 35 U. S. C. 103, and the dictates of this Court as set forth in the *Great Atl. & Pac.* case. See also the high standard of invention applied in *Powder Power Tool Corp.* v. *Powder Actuated Tool Co.,* 230 F. 2d 409, 416 (7th Cir. 1956), a decision of the Seventh Circuit which is

referred to in the *Graham* case and applies the standard of invention pronounced in the *Great Atl. & Pac.* case.

As a second argument, petitioners repeatedly allege the court of appeals found that Schnell made "a single 'real discovery.'" (See pages 16 and 26 of the petition.) That is not true. Schnell made many patentable discoveries. (E. 16-24, D.A. 58-60; F. 200-03, D.A. 129-30; F. 246-47, D.A. 140.) The court of appeals, in its own review of the record, found the findings of the trial court to be proper and held valid the separate and distinct inventions claimed in the patents in suit.

Petitioners at the trial relied upon some 34 prior art references in addition to modified garbage disposal devices in alleging invalidity of Schnell's patents. Before the court of appeals, twenty of these references were dropped, and now petitioners are referring only to one reference, *i.e.*, the *Hortnagl* patent.

The Austrian patent to *Hortnagl* (DX-54 and -54A, D.A. 2459) does not teach a meat emulsion can be produced. *Hortnagl* does not teach how to produce such an emulsion. *Hortnagl* does not disclose petitioners' and respondents' valve plate (the rate at which material is fed to a perforate plate and the size and number of holes determine whether all the material goes through the plate on one pass), petitioners' and respondents' tapered knife, and does not mention suction being applied to the perforate plate as exists with petitioners' and respondents' machines. *Hortnagl* does not teach the principles of the Schnell machines. Certainly, if petitioners' wish to use *Hortnagl*, as *Hortnagl* is shown, they are free to do so. They never have done so—or at least they never told the trial court what happened if they did. (F. 241, D.A. 139.)

Moreover, if *Hortnagl* knew anything about a hydraulic column, which is found in petitioners' and respondents'

machines, he certainly told the world to avoid it and, except for Schnell, the world did so.

On page 6 of their petition, petitioners imply respondents' expert testified that adding a seal to *Hortnagl's* device would be apparent. Respondents' expert stated the admission of air into the *Hortnagl* machine definitely affects its operation (D.A. 1201-02). The expert added (D.A. 1156-8) he would seal the *Hortnagl* machine if he wanted to operate it; however, this response was given only *after* he had seen the operation of the sealed machines of respondents and petitioners.

Petitioners attempt to deprecate commercial success on pages 23 and 24 of the petition. The elements supporting satisfaction of a long-felt want and commercial success are pointed out in detail in Findings 25-26 (D.A. 61-62), 29-36 (D.A. 63-64), 43 (D.A. 66), 51, 53-55 (D.A. 68-69), 60 (D.A. 70), 65 (D.A. 72) and 121 (D.A. 101). The court of appeals agreed with the trial court (D.A. App. viii), and added this was only "*another* point supporting validity." (Emphasis added.) As petitioners well know, their assertions on page 24 of their petition relative to some 3500-4000 sausage makers is not accurate. Because the production rate of sausage emulsion is so great with petitioners' and respondents' machines, only the major sausage producing companies—not the small butcher shop operators—can obtain the full benefits of these machines, and that represents a market that can be saturated with a limited number of machines.

Petitioners state flatly that there was only one "real" invention. This is their own statement and is in complete contradiction to the concurrent findings of the courts below.

It is true that many, but not all, of Schnell's discoveries were intended for use with a hydraulic column. Certainly a

great part of the success of the devices depends on the use of the hydraulic column.

The invention of the telephone did not mean that all ways of improving it were unpatentable but this is the very principle petitioners seek to apply, despite the fact the present case is not a situation involving such a fallacious principle.

3. Schnell's Inventions Are Patentably Distinct.

In the courts below, petitioners did not concede infringement of a single claim by any one of their devices. They never conceded the validity of a single claim of any of the seven patents in suit. Petitioners always contended the prior art devices could do everything which Schnell did.

Yet respondents are now accused of seeking a monopoly of all useful sausage emulsifiers! Why not use the devices of some of the more than thirty references they relied on in the trial court, or the fourteen references they relied on before the court of appeals? How can respondents have a monopoly if, as petitioners have argued in the past, the prior art devices are as good as the devices or methods in suit?

It appears to be petitioners' position that although no one was able to solve the many problems of the art until Mr. Schnell came along and, though petitioners deliberately copied Schnell's inventions, counsel for respondents were unable to put into English language a combination of words which would describe petitioners' machines.

Petitioners state erroneously that the decision below ignores completely the rules as to double patenting and that respondents were not entitled to even one patent. The trial court, after having each element of each claim analyzed for it in numerous charts presented by petitioners,

held otherwise as did the court of appeals. (D.A. App. xi-xiii.)

Certainly, many important problems can lead to a group of patents, for once the main problem has been solved, many other problems present themselves, the solutions to which are new, useful and unobvious as well as producing superior results. As the courts below held, the solution by Schnell of one problem brought about the presentation and solution by him of other problems.

The Patent Office, district court and court of appeals, each held there was a significant factual difference in the patents. See *Southern Implement Mfg. Co.* v. *McLemore*, ___ F. 2d ___, 146 U.S.P.Q. 680, 684 (5th Cir. 1965). Petitioners, who were found to be deliberate pirates of the inventions, rely merely on their own say-so to contradict these holdings. Even though there were 272 detailed annotated findings by the District Court, petitioners have failed to cite a single one which was not properly supported.

The patents in suit are directed to the separate and patentably distinct subject matter as briefly discussed below.

Patent 2,840,318 concerns comminuting apparatus having a sloping recirculating wall above or in advance of the knife. (F. 172, D.A. 113.)

Re. Patent 24,683 (Reissue of Patent 2,836,825) covers *methods* of emulsifying meat material for sausage products. (F. 136, D.A. 104.)

Re. Patent 24,764 (Reissue of Patent 2,842,177) concerns comminuting machines having specific lug structure. (F. 177, D.A. 114.)

Patent 2,906,310 concerns emulsifiers that are sealed (drive means for rotary knife is "sealed") during operation to prevent ingress of air and provide a hydraulic column. Certain of the claims recite structure that provides for adjustment of the knife relative to the perforate plate. (F. 122, D.A. 101.)

Patent 2,934,120 concerns details of a high speed tapered knife. (F. 151, D.A. 107.)

Patent 2,934,121 concerns certain very specific details of a particular knife *and* comminuting apparatus having such a knife. (F. 157, D.A. 108.)

Patent 3,044,514 covers emulsifiers having structure that provides an air-sealing head or hydraulic column and, in addition, concerns the cooperative relationship of such structure with other specifically defined structure of the emulsifiers. This patent also relates elements of the emulsifier to recirculation. (F. 141, D.A. 105.)

The Patent Office, district court and court of appeals, each held there was no double patenting, and properly so.

CONCLUSION.

For the foregoing reasons, the petition for a writ of certiorari should be denied.

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REPLY BRIEF

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IN THE

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OCTOBER TERM, 1965.

No. 572

THE ALLBRIGHT-NELL COMPANY and PETER ECKRICH AND SONS, INC.,
Petitioners,

vs.

CARL SCHNELL and THE GRIFFITH LABORATORIES, INC.,
Respondents.

REPLY TO RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

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THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

IN THE

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Respondents.

REPLY TO RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

Respondents' overall objection to the Petition appears to be that it does not include a detailed argument as to the merits of the Schnell patents. Obviously, the merits, in the present posture of the case, are not before this Court.

The thrust of the Petition in this case is:

(1) That there exists a conflict of decision between the several Courts of Appeals as to the proper standard of invention. This, Respondents do not deny.

(2) That the Court of Appeals for the Seventh Circuit has shown an increasing tendency, culminating in this case, to apply an improper and low standard of invention. This, Respondents do not categorically deny but, instead, assert

that the Schnell patents would have been held valid even if a proper standard of invention had been applied.

(3) That the standard of invention applied by the court below, when coupled with the failure of the Court of Appeals to invoke the prohibition against double patenting, has resulted in a 21-year monopoly in Respondents with respect to a single comminuting machine. This, Respondents attempt to bypass with the assertion that prior art comminuting machines are available to the public (Respondents' brief p. 11) and by meager reference to the subject matter of the seven patents (Respondents' brief pp. 12 to 13).

(4) That the possibility of further litigation in other circuits is virtually nil. This, Respondents do not deny.

Pages 2 to 11 of Respondents' brief loosely paraphrase some of the findings of the district court, present selected out-of-context quotations from the decision of the Court of Appeals and reiterate Respondents' arguments in the courts below as to the commercial success of Schnell's comminuting machine in the sausage industry when employed further to comminute a previously comminuted sausage emulsion.

The *Powder Power Tool Corp.* case, cited at page seven of Respondents' brief, was decided in 1956 by a panel of judges of whom only Judge Duffy, who did not participate in the case below, is still active, and it reflects the standard of invention from which the Seventh Circuit has steadily retreated, as recognized by Judge Graven and as shown by that court's record over the past five years in patent cases involving combination claims (Petition p. 21). While the court below did not expressly articulate the standard applied in the present case, it relied only on cases decided prior to or within a few days of the *A & P* case. Certainly, there is nothing in the decision below to indicate that the

Court of Appeals applied anything other than the low standard to which it has recently subscribed, as recognized by Judge Graven.

Pages 8 to 11 of Respondents' brief are devoted primarily to an argument that even if the Court of Appeals in this case had applied the standard of invention enunciated by this Court in the *A & P* case, the Schnell patents would still have been held valid. But this "iffy" speculation as to what the result might have been under a proper standard of invention, is not before this Court. Rather, the question is whether the Court of Appeals did, in fact, apply the proper standard of invention.

Respondents' arguments concerning the "result" achieved by the Schnell machine (Respondents' brief, p. 8) are related solely to the alleged commercial success of the Schnell machine in the sausage industry. If applicable at all, this "result" applies only to the use of a seal on the Schnell machine because initially the same machine without a seal was "unsatisfactory" as the courts below found.

Neither Respondents nor either court below have pointed to any "unusual or surprising results" flowing from the sloping of the wall as claimed in patent No. 2,840,318; the use of prior art lugs as claimed in patent No. Re. 24,764; the tapering of the knife as claimed in patent No. 2,934,120; the other knife "details" as claimed in patent No. 2,934,121; or the adjustability of the knife as claimed in patent No. 2,906,310. The argument (Respondents' brief, p. 12) that these patents can be sustained because they solved problems presented by the hydraulic column and seal entirely overlooks the fact that the features covered by these patents were included in the early "unsatisfactory" Schnell machine that did not include a column or a seal.

The attempt by Respondents to minimize the reliance of the Court of Appeals on Schnell's alleged commercial success (Respondents' brief p. 10) hardly squares with their reliance below on such alleged success or with the arguments presented at pages 2 and 3 of their brief in this Court. Respondents' reference to what "Petitioners well know" (Respondents' brief p. 10) is both inaccurate and completely outside the record.

Respondents' attempt to disclaim the 21-year monopoly afforded to them by the decisions below (Respondents' brief pp. 11 and 12), by asserting that they do not have a monopoly of "all useful sausage emulsifiers", misstates the scope of the "monopoly" and completely begs the question. Respondents, under the decisions below, will enjoy a 21-year monopoly on the type of comminuter shown in the Schnell patents. Moreover, Respondents' own description of the "subject matter" of the seven patents in suit emphasizes the fact that the patents are all directed to the same comminuting machine differing only in the specificity with which certain non-inventive details of the various elements are recited in the patent claims.

CONCLUSION.

It is respectfully submitted that the reasons for granting the Writ of Certiorari are sufficient to justify review by this Court and that the Petition for Certiorari should be granted.

Since the case involves the validity of seven patents and 82 claims, it affords the Court a unique opportunity to settle, in one decision a number of unresolved questions as to the proper standard of invention under 35 U. S. C. 103. The large number of patents involved will permit this Court to provide guidance for the patent bar, the Patent Office and inventors in a manner which probably cannot be achieved in any of the other cases now pending before this Court.

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vs.

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Respondents.

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR A WRIT OF CERTIORARI.

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THE SUTTON-WARREN PRINTING COMPANY, CHICAGO

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Respondents.

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR A WRIT OF CERTIORARI.

Petitioners pray that this Court grant rehearing of its order of March 7, 1966, denying the petition for a writ of certiorari, 34 U. S. L. Week 3305, and that a writ of certiorari issue to review the judgment of the Court of Appeals for the Seventh Circuit in the above-captioned case as prayed for in the petition filed September 15, 1965.

REASONS FOR GRANTING REHEARING AND ISSUING THE WRIT.

The decisions of this Court in *Graham* v. *John Deere Co., Calmar, Inc.* v. *Cook Chemical Co.*, and *Colgate-Palmolive Co.* v. *Cook Chemical Co.*, 34 U. S. L. Week 4119 (Nos. 11, 37, and 43—October term, 1965), decided Febru-

ary 21, 1966, raise the following new and substantial issues that could not have been anticipated in our petition for certiorari:

(1) In this case both the District Court and the Court of Appeals for the Seventh Circuit held valid and infringed eighty-two claims of seven patents granted to Carl Schnell covering a single machine and method for comminuting meat and agricultural products.* In upholding the District Court, the Court of Appeals recognized that:

> ... Mr. Schnell's real discovery [was] that one secured a superior product and greatly increased output when the meat, fat and water were comminuted and discharged in the absence of air by sealing off air from the column of meat passing through the machine.

Schnell's "real discovery" thus amounted to no more than the use of a seal around the drive shaft of a prior art comminuting machine such as the one disclosed in Hortnagl Austrian patent No. 179,437.**

The attempt to predicate patent protection on the mere presence of a seal is reminiscent of *Calmar, Inc.* v. *Cook Chemical Co.* and *Colgate-Palmolive Co.* v. *Cook Chemical Co.* (hereinafter jointly referred to as the *Cook* case), *supra,* in which the validity of Scoggin U. S. Patent No. 2,870,943 (covering a shipper-sprayer for containers of liquid products) turned on the position of a seal—except that in those cases only one patent was involved, whereas in this case seven patents comprising eighty-two claims were held valid and infringed. This Court held in *Cook* that

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* The findings and conclusions of the District Court are reported at 242 F. Supp. 891, and the opinion of the Court of Appeals (reported at 348 F. 2d 444) is reprinted as Appendix A to the petition for certiorari.

** A copy of the Hortnagl patent drawing is appended as Appendix B to the petition for certiorari.

so obvious a difference as the placement of a seal prevented the Scoggin shipper-sprayer from meeting the standard of invention embodied in 35 U. S. C. § 103. Likewise, here, the same result should be reached; Schnell's use of a prior art seal in a prior art comminuting machine manifestly does not meet the standard of nonobviousness set forth by this Court, and both courts below clearly erred in holding it did.

It is difficult enough to conceive of one patent being sustained on so flimsy a basis as that presented in this case. The result below is all the more suspect since it involves a holding that seven patents and eighty-two claims are all valid and infringed. Likewise, the reliance placed by the courts below on commercial success, long felt want, and the like, should not, as it did not in *Cook*, obscure the obviousness of the claimed inventions. The opinion of the Court of Appeals purported to uphold the validity of certain of the Schnell patents based on the solution of "subsidiary problems". In view of the marginal nature of Schnell's "real discovery", it is difficult to imagine what these "subsidiary problems" are (the Court did not even state what they were) that supposedly warrant judicial sanction of seven seventeen year monopolies amounting to at least twenty-one years of patent dominance over an industry.

(2) The decisions of the courts below upholding the validity of seven patents and eighty-two claims based on the "real discovery" involving the combination of a prior art seal and a prior art comminuting device is apparently attributable to the District Court's position that prior art comminuting devices (e.g., grinders, colloid mills, etc.) are somehow non-analogous or non-pertinent with respect to emulsifiers described and claimed in the Schnell patents. The findings of the District Court, especially Finding No. 204, in effect state that grinders are so different

from emulsifiers that all grinders should be relegated to the category of non-pertinent prior art. These findings (which, along with all of the District Court's findings, were adopted verbatim from the respondents' proposed findings) are clearly erroneous in view of the *Cook* decisions.

In *Cook,* the patent owner argued that certain of the prior art was not pertinent because it related to liquid containers having pouring spouts rather than to pump sprayers. This Court noted the error of such a position:

> . . . so restricted a view of the applicable prior art is not justified. Problems confronting Scoggin in the insecticide industry were not insecticide problems; they were mechanical closure problems. Closure devices in such a closely related art as pouring spouts for liquid containers are at the very least pertinent references. 34 U. S. L. Week at 4128.

Here, prior art grinders, colloid mills, and other comminuting devices would similarly seem at the very least to be highly pertinent references. Indeed, the very language of the Schnell patent claims recognizes the close relation between emulsifying meat and grinding other material. For example, claims 11-16 inclusive of Schnell U. S. Reissue Patent No. 24,683 specifically cover "a method of comminuting meat and agricultural products . . .".* In view of this, the District Court's Finding 204 and the consequent treatment of the prior art given pursuant to this finding are clearly in error, and we submit that at a minimum the case should be remanded for reconsideration in light of this Court's decisions. See, e.g., *Bradley Mining Co.* v. *Boice,* 345 U. S. 932 (1953). In view of the improper findings and conclusions by the courts below, all

* In fact, of the sixty-six claims of the other six patents in suit, twenty-one claims are directed broadly to "materials" generally; thirty-seven claims merely specify "food products"; six claims recite "meat and agricultural products"; and only two claims (5 and 10 of U. S. Reissue Patent No. 24,674) are specific to the comminuting of meat.

of the patent validity issues should be reconsidered, with proper weight being given the prior art comminuting devices.

(3) Petitioners have heretofore vigorously contested the validity of all of the seven Schnell patents involved in this case. However, even assuming arguendo that Schnell's "real discovery" that sealing air out of a column of meat passing through a comminuting machine somehow rises to the level of a patentable invention, the granting of the first of the seven Schnell patents (i.e., U. S. original Patent No. 2,836,825, dated May 27, 1958, reissued August 18, 1959 as U. S. Reissue Patent No. 24,683) containing claims directed to Schnell's method for comminuting meat and agricultural products fully exhausted the Patent Office's power to grant valid patent protection to Schnell. In view of the pertinent prior art, the particular mechanical arrangement of admittedly prior art elements selected by Schnell to carry out his assumedly patentable method cannot rationally support even one additional patent, let alone a total of seven patents that extend the patent monopoly over at least a twenty-one year interval.

That the Patent Office may, in an outburst of administrative efficiency, have purged its files of pending Schnell applications by granting six additional patents (not to mention the further grant of two reissue patents) is a classic example of the tendency of the Patent Office to churn out patents in record numbers, as if that were an end in itself. One is reminded of the all too accurate statement of Learned Hand in *Lyon* v. *Boh*, 1 F. 2d 48, 50 (S. D. N. Y. 1924), *rev'd on other grounds*, 10 F. 2d 30 (2d Cir. 1926), that:

> . . . the antlike persistency of solicitors has overcome, and I suppose will continue to overcome, the patience of examiners, and there is apparently always but one outcome.

While the objective of diminishing the backlog of pending patent applications is of course admirable, as pointed out in this Court's decisions in *Graham* and *Cook, supra,* the Patent Office has all too often been guilty of applying notoriously low standards of patentable invention and a free reign has often been exercised by Patent Office Examiners in their use of the concept of "invention". The present case would appear to be a particularly extreme example of this —seven patents and eighty-two claims covering at best a single invention, a method for comminuting meat and agricultural products. For this reason alone, the decisions below are in error.

(4) The consequence of the decision reached by the District Court and affirmed by the Court of Appeals for the Seventh Circuit passes far beyond the specific issues of patent validity and infringement presented herein. The effect of this decision and the entry of the injunction sought by respondents will necessarily result in respondent, Griffith Laboratories, Inc., obtaining and maintaining a monopoly position in the manufacture of machines of the character described in the various Schnell patents for the remainder of a twenty-one year period blanketed by the seven Schnell patents. Respondents have not offered licenses to petitioners and there is no indication in the record that licenses have been offered or made available to any others. Instead, respondents seek to maintain a monopoly position until July 17, 1979, the date of expiration of the last Schnell patent and a date twenty-one years after the issuance of the Schnell original Patent No. 2,836,-825 on May 27, 1958.*

* This patent was reissued as U. S. Reissue Patent No. 24,683 on August 18, 1959. Petitioners and others in the sausage industry are nominally entitled to utilize the method reissue patent by virtue of a revocable release granted February 9, 1962 (P. App. 3), but under the decisions below respondents are nonetheless permitted to maintain their monopoly position in the industry through monopolization of the only known apparatus for carrying out the method by virtue of the six other patents in suit.

If the machine and method related to products of relative commercial insignificance perhaps such activities could be condoned or would not warrant this Court's intervention. However, as amply demonstrated by the record and the opinions of the courts below, the machine and method are used in the manufacture of meat products of the frankfurter and bologna variety. As the record shows (D. App. 159, 1002), millions of pounds of products of this character are processed each week, and the anti-competitive consequences of the decisions below are obvious. These considerations require, we submit, that the utmost care be given to the disposition of the issues respecting validity and infringement of the Schnell patents.

The decisions of the courts below are clearly contrary to the standards of invention set forth by this Court in the *Graham* case and the *Cook* cases, *supra*. Mere prospective application of these cases would leave undisturbed a decision manifestly erroneous under the standards set forth therein. We submit that fairness and justice require that, in order to achieve the uniformity and definiteness called for by this Court in *Graham* and *Cook*, this case be reconsidered in light of the standards set forth therein.

CONCLUSION.

For the reasons set forth above, it is respectfully urged that rehearing be granted and that, upon such rehearing, a writ of certiorari issue to the Court of Appeals for the Seventh Circuit.

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CERTIFICATE OF COUNSEL.

I hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay and is restricted to grounds specified in Rule 58 of the Rules of this Court.

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